

CATALOGUE OF INVESTMENT OPPORTUNITIES

Republic of Croatia



INTRODUCTION

Dear Prospective Investor,

We are delighted to present you with the Catalogue of Investment Opportunities, an overview of various investment projects in the Republic of Croatia. By bringing this Catalogue to your attention, we wish to introduce you to the remarkable investment potential Croatia has in various economic sectors - potential that can bring numerous rewards to our interested international partners. Collecting noteworthy projects in one brochure and presenting them to a wider audience is a part of Croatian Government's dedicated efforts of attracting investment and improving business climate in Croatia.

This glimpse of Croatia's current investment potential entails some of the most interesting projects offered in Croatia and promoted by relevant institutions working in the field of attracting investments, i.e. Ministry of Regional Development and EU Funds, Ministry of Foreign and European Affairs, Ministry of Economy, Ministry of Entrepreneurship and Crafts, Ministry of Maritime Affairs, Transport and Infrastructure, Agency for Investments and Competitiveness, Center for Monitoring Business Activities in the Energy Sector and Investments, Croatian Agency for SMEs, Innovation and Investments, Croatian Chamber of Economy and Croatian Chamber of Trades and Crafts.

Aware of the importance of foreign direct investments for a dynamic and sustainable growth of the economy, the Croatian Government has recently considerably increased incentives for launching investment projects and has been continuously implementing new regulations to encourage investors to expand their business operations to the Republic of Croatia. Our goal for Croatia is to become one of the most attractive investment destinations in Europe. To this end, the Croatian Government will continue to further develop our business environment and the already existing high quality services Croatia offers to foreign investors.

Each project summary presented here provides initial information as a basis for entering into in-depth project assessment. This publication also includes contacts of the person responsible for providing you full information on each project. We will be happy to give all further materials you may be interested in receiving and ensure professional assistance during the entire investment process.

Respectfully,



Vesna Pusić

First Deputy Prime Minister
and Minister of Foreign and
European Affairs

A blue ink signature of Vesna Pusić.



Branko Grčić

Deputy Prime Minister
and Minister of Regional
Development and EU Funds

A blue ink signature of Branko Grčić.



Ivan Vrdoljak

Minister of Economy

A blue ink signature of Ivan Vrdoljak.

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PROFILES OF INSTITUTIONS FOR INVESTMENT SUPPORT

Agency for Investments and Competitiveness (AIK)

Center for Monitoring Business Activities in the Energy Sector and Investments (CEI)

Croatian Agency for SMEs, Innovation and Investments (HAMAG BICRO)

Croatian Chamber of Economy (HGK)

Croatian Chamber of Trade and Crafts (HOK)

CENTRAL PLACE FOR THE IMPLEMENTATION OF YOUR INVESTMENT

WHO ARE WE?

The Agency for Investments and Competitiveness (AIK) is an agency established by the Government of the Republic of Croatia. Its key objectives are: promotion of Croatia as a desirable investment destination, proactively encouraging investment into Croatia and enabling successful implementation of investment projects, as well as enhancing the competitiveness of the Croatian economy on a global level.

Our role is to serve as the central place for investors in the Republic of Croatia, in order to ensure a transparent, professional and tailor-made full service completely free of charge, through all stages of investment projects, from the initial inquiry through to investment completion.

MISSION

AIK's mission is to enable investors to efficiently and successfully achieve their business goals in Croatia and through its professional services, promote sector specialization, cluster competitiveness and to identify all necessary measures needed to boost investors' business activities, as well as raising the level of competitiveness in the Republic of Croatia.

VISION

AIK's vision is to attract and encourage investments and improve the competitiveness of the Croatian economy in order to ensure that Croatia becomes a highly competitive country in the EU. The goal is to achieve significant growth and development based on knowledge, quality products and services with high added value with an emphasis on creating new employment opportunities.

OUR SERVICES

Promotion of Croatia as an investment destination	Support of investment projects implementations through	Increasing competitiveness levels of the Croatian economy by
<ul style="list-style-type: none"> Strengthening Croatia's image as a globally competitive economy Preparation and organization of subject-specific seminars Coordination of all promotional activities on international markets with partner institutions 	<ul style="list-style-type: none"> Offering all necessary information on business opportunities in Croatia Project preparation for investments in Croatia Supporting investments projects in all phases of implementation through a tailor-made approach 	<ul style="list-style-type: none"> Improving the investment environment Removing administrative barriers Supporting the work of clusters of competitiveness

Our strength lies in a young and experienced team of professionals, who will use their knowledge and expertise to offer you the best possible support in all stages of implementation of your investment projects. All our services are free of charge.

WE ARE AT YOUR DISPOSAL FOR ALL YOUR QUESTIONS

ABOUT CEI

The CEI was established with the objective of finding solutions for improving the financial effectiveness of companies in the energy sector in which the state has shares or stakes, and appropriate and targeted directing of funds in a manner that ensures the greatest and most long-term economic return, stable growth and centralised and systematic monitoring of investments in the Republic of Croatia.

Our goal is to enable the transparent administration, monitoring and implementing of the energy strategy of the Republic of Croatia, and in a systematic manner to cover and provide support in managing investments of the state and of state-owned companies.

OUR CORE ACTIVITIES

4 BASIC PILLARS OF CEI:

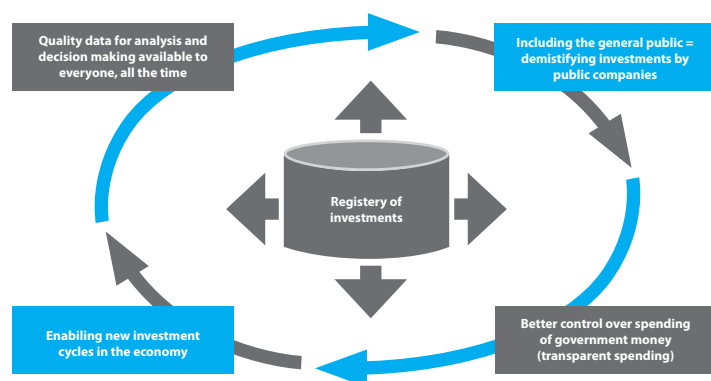
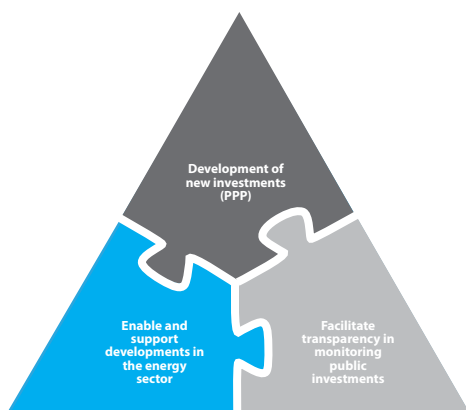
1. Preparing capital energy projects and supporting renewable energy sources
2. Monitoring public investments
3. Developing new public – private partnerships
4. Increasing public investments

ALL DIVIDED IN THREE SECTORS:

- ENERGY SECTOR
- INVESTMENT SECTOR
- PPP SECTOR

GOAL AND PURPOSE OF CEI

Making information on investments by public Companies transparent to the Government and citizens.



ABOUT HAMAG BICRO

HAMAG BICRO (Croatian Agency for SMEs, Innovation and Investments) was established by the Government of the Republic of Croatia with the purpose of enhancing SME development and investment promotion. HAMAG BICRO is an independent institution under the supervision of the Ministry of Entrepreneurship and Crafts of the Republic of Croatia.

OUR CORE ACTIVITIES

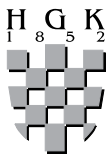
- Investment promotion
- Issuing guarantees for bank credits to SMEs
- Grant schemes implementation
- Co-financing consultant services

WE AIM TO

- Facilitate creation of favourable environment for entrepreneurship and investment
- Actively promote Croatia as an attractive location for investment
- Provide active support to the economic development of Croatia
- Create positive international image of Croatia

OUR SERVICES FOR INVESTORS

- Dissemination of information about advantages of investing in Croatia
- Providing information about investment opportunities in Croatia
- Providing support to foreign investors regarding their investment activities
- Providing foreign investors with information about legislation, incentives, locations, potential suppliers
- Providing assistance with the application for investment incentives
- Facilitating communication between foreign investors and national and local authorities
- Aftercare services for foreign investors already operating in Croatia



CROATIAN CHAMBER OF ECONOMY

The Croatian Chamber of Economy is an independent professional and business organisation of all legal entities engaging in business. The Chamber consists of the Headquarters in Zagreb and 20 county chambers. Functionally, the CCE consists of 8 departments dealing with the respective branch of the economy, and it also includes 55 professional associations, 88 groups and 35 affiliations. Apart from this, within the CCE act Permanent Arbitration Court, Conciliation Centre, Court of Honour and CCE Office for Areas of Special State Concern.

NUMEROUS DATABASES

- Online catalogue of investment projects (available on www.hgk.hr, www.investincroatia.hr)
- Croatian company directory - more than 90,000 active members
- Business opportunities exchange
- Business zones
- Croatian export directory
- Croatian Waste Materials Exchange

INFORMATION

- On relevant laws and regulations in the field of investment and economics
- On current economic situation in Croatia
- On how to start-up business in Croatia
- On national and local investment incentives and opportunities

ASSISTANCE

- Linking potential investors with project holders
- Facilitating communication with the institutions on national and local level
- Support to the investors in dealing with administrative procedures on all levels
- Providing suppliers' database and facilitating contact with potential business partners
- Organising individual, tailor-made visits of potential investors to Croatia

Assistance is provided on all levels through a network of 20 County Chambers in Croatia and representative offices abroad.

ABOUT HOK

HOK (Croatian Chamber of Trades and Crafts) is an independent professional business organization of tradesmen and craftsmen with the aim of promoting, coordinating and representing the joint interests of tradesmanship and craftsmanship. The Chamber was refounded by its Assembly on July 1st 1994. HOK represents its members before the state and other authorities in Croatia and abroad. The Croatian Chamber of Trades and Crafts is a legal entity with public authorities.

OUR CORE ACTIVITIES

- Representing craftsmen`s interests before state authorities and in the forming of economic policies
- Providing state authorities with opinions and suggestions when passing regulations concerning trades and crafts
- Founding commissions for apprentice and master`s exams
- Tradesmen and craftsmen`s activities
- Founding of the arbitration council
- Assisting tradesmen and craftsmen in establishing and operating a trade/craft business
- Co-financing organized participation of tradesmen and craftsmen in international trade fairs in Croatia, Bosnia and Herzegovina, Turkey, Serbia, Macedonia, Germany, Austria and Slovenia

WE AIM TO

- Cooperate with chambers, associations and similar organizations abroad and participate in bilateral incentives
- Establish business to business relations and organize business meetings between Croatian tradesmen and entrepreneurs and tradesmen and entrepreneurs from other countries
- Intensify our activities in the European Association of Trades, Small and Medium-Sized Enterprises (UEAPME) in Brussels where we follow the activities of different boards connected to tradesmanship and entrepreneurship

OUR SERVICES FOR MEMBERS

- Education on the secondary school level and retraining and upgrading of tradesmen and potential tradesmen in the form of lifelong education
- Organization and conduction of apprenticeship and master craftsmen`s exams
- Advisory service offers legal, economic and technical advice on a daily basis
- Court of Honour ensures fair business practices, fulfilment of contractual obligations concerning apprenticeship training, Chamber member`s rights and deals with complaints of its members
- Centre for Mediation provides mediation and peaceful dispute resolution services to Chamber members as well as natural and legal persons from the country and abroad
- Trades and Crafts Journal – monthly periodical with a circulation of approximately 85,000 copies

STATE-OWNED PORTFOLIO

TOURISM REAL ESTATE PROJECTS

“Aquae Balissae” Hotel

Esterházy Castle

Fortification Brod Hotel

Janković Castle

Jarki Camp

Project Kupari

Recreational-Entertainment Zone Novi Vinodolski

Rimska Šuma Hotel

Sports Centre Krk



“AQUAE BALISSAE” HOTEL, Daruvar

PROJECT DESCRIPTION

The project „Aquae Balissae“ Hotel, owned by the Town of Daruvar, envisages a construction of an international 3*/4* category family thermal hotel with additional facilities (a restaurant, lobby bar with outdoor terrace, multi-purpose hall, swimming pool, souvenir shop, parking) with the aim to become the best thermal hotel for families with children in Croatia.

The project is located in Bjelovar–Bilogora County, in central part of continental Croatia, in town of Daruvar. Thanks to its thermal springs and nature, Daruvar has long tradition in health – thermal tourism, but it has also the most diverse tourism resources in continental Croatia with bathing, wineries, brewery, hunting grounds, fishing areas, nature paths for walking, cycling, hiking, agro tourism, events and meeting possibilities. With such wide offer, the location also provides good business opportunities for construction of new hotels in order to meet growing demand for hotel accommodation capacities. In that respect, along with the project “Aquae Balissae” Hotel, the Town of Daruvar offers another investment project “Rimska Šuma Hotel” which envisages the construction of a hotel with 250 units and supporting facilities: restaurant, lobby bar, night lounge bar, spa and conference centre.

Adjacent plot to the project area is the existing thermal water park „Aquae Balissae“, which could be connected with future hotel based on the agreement with the Town of Daruvar, owner and operator of the water park.

Necessary infrastructure (electricity, water supply, sewage system, phone cables, good coverage by mobile phone networks) is provided on site.

The project area has access by local road to the main traffic route: to A3 Zagreb – Lipovac Highway (50 km).



POTENTIAL TRANSACTION STRUCTURE

The project will be offered to a strategic partner based on the right to build model which will be granted for a period of 99 years under the condition that the hotel will be developed within two years (24 months) from the date of the selection of the best bidder.

One of the criteria for the selection of the future concessionaire will be a development reference in the sector of high-quality family thermal hotels along with the professional management experience in operating such kind of hotels.

ESTIMATED VALUE

The estimated value of the project is 9 million EUR.

CURRENT PROJECT STATUS

The project area is in accordance with the General Urban Plan and the Physical Plan of the Town of Daruvar.

PLANNED FACILITIES

The conceptual design envisages the reconstruction of the Castle into a hotel with 126 beds, restaurant, cafe, hotel shop, conference room, wellness centre, wine cellar, bowling alley and pool.

- Total land area: 9,814 m²
- Gross developed area: 7,173 m²
- Ground floor area: 3,586 m²
- Number of levels: P0 + 4
- Hotel: 150 accommodation units (of which 50% standard rooms, 30% family rooms and 20% equipped for sportsmen)
- restaurant, lobby bar with an outdoor terrace
- One multi-purpose hall (approx. 100 m²)
- Children's club and souvenir shop
- Parking area with 96 parking lots



BJELOVAR–BILOGORA COUNTY

Population (2011): **119,764**

GDP per capita (2011): **7,062 EUR**

Unemployment rate (2013): **30.2%**

Average gross salary: **833 EUR**

Average gross salary in the sector (tourism): **529 EUR**

Bjelovar–Bilogora County is located in the Northwest of the Republic of Croatia, with the Town of Bjelovar as the county seat. Extensive road network, mainly regional and local roads, connects the County with the main traffic routes to Western Europe and the southeastern regions.

The diversity of natural-geographic features provides opportunities for economic development. The County has considerable sources of oil, gas, silica sand, clay, thermal waters and other natural resources. Quality and vast agricultural land and rich forest fund are the base for the development of cattle breeding and agriculture, food processing industry (significant milk production and milk processing industry, brewery, mill and confectionery industry, meat processing industry, cultivation and processing of freshwater fish) and wood processing industries, which are the backbone of the County economy. It is also known for its long tradition in metal processing and textile industries, as well as for its health tourism (medical rehabilitation) in which it has excelled for centuries.

Based on the natural source of thermal springs and its benefits, the spa town Daruvar of ancient name Aquae

Balissae, with the first thermal springs built in year 288 BC was highly appreciated by Roman soldiers, medieval peers, Turkish Beys, Austro-Hungarian aristocracy as well as artisans and bourgeois.

In 1745 the Empress Maria Theresia granted land properties to the Count Janković's family, which was followed by a period of 150 golden years for the Town of Daruvar, as a health centre began its work and numerous historic buildings were built, some of which are preserved up to date: The Parish Church of the Holy Trinity, Antun's Bath, Baroque Castle of Count Janković with an exotic park, Ivan's Bath, Swiss Villa, Arcadia, Central Mud Bath built in Moorish style with a large cupola which became a town's symbol.

One of the most famous archaeological findings in Daruvar is the emperor's Diatretum Cage Cup exhibited at the Museum of Art History in Vienna.

The wine route "Vino Via" presents a special tourist offer with tasting rooms where you can taste quality Daruvar wines: Rhine Riesling, Chardonnay and Sauvignon.

The natural beauty and wealth and friendly people provide excellent conditions for the tourism-hospitality services aimed not only at health-recreational tourism, but also at hunting activities with a series of excellent and high quality hunting grounds, fishing tourism, rural tourism and many other forms of relaxation and entertainment.

CONTACTS

Town of Daruvar, Mr Ratko Vuković, Head of Economy Department, e-mail: grad-gospodarstvo@daruvar.hr

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ESTERHÁZY CASTLE, Darda

PROJECT DESCRIPTION

Esterházy Castle is located in the centre of the Municipality of Darda, in the near vicinity of Osijek, the seat of Osijek - Baranja County.

The project is owned by the Municipality of Darda and envisages the reconstruction of the old castle complex into 5* hotel with additional facilities on the land area of 23,807 m².

The unique baroque architecture of the castle built in the beginning of the 18th century has historical, architectural and townscape value and is protected as cultural heritage. The castle is surrounded by a historical park - an integral part with the complex. Also, from the same period, next to the castle, there is a restored chapel, nowadays in function of a parish church. The Castle is located alongside the lake which serves as a sports - tourist zone with bathing, restaurants and sports facilities.

The location has a great potential for tourist development, especially for sports tourism such as hunting, since in the near vicinity to the castle there is a riding club with a hippodrome and a hunting club with large pheasant farms, as well as great hunting grounds and the Nature Park "Kopački rit" in the surrounding area.

The location is well connected to the highway corridor A5 Beli Manastir – Osijek – The Republic of Bosnia and Herzegovina (distance 8 km), railway (2 km), Airport Osijek (15 km) and river port in Batina (11 km).

All necessary infrastructure (gas, electricity, water, sewage) is provided.



TRANSACTION MODEL

Esterházy Castle, owned by the Municipality of Darda, will be offered to a strategic partner based on the right to build model which will be granted for 99 years or sale (282,354 EUR).

In the case of sale, The Republic of Croatia has the pre-emption right.

ESTIMATED VALUE

The total project value is estimated at 11.96 million EUR.



CURRENT PROJECT STATUS

The project is in compliance with spatial plans of Osijek-Baranja County and the Municipality of Darda. The Report on the first phase of the conservation and restoration research, the Draft of conservation guidelines and the Conceptual design for reconstruction of the castle into the 5* hotel are in place.



PLANNED FACILITY

The conceptual design envisages the reconstruction of the Castle into a hotel with 126 beds, restaurant, cafe, hotel shop, conference room, wellness centre, wine cellar, bowling alley and pool.

- Total land area: 23,807 m²
- Gross developed area: 35,409 m²
- Ground floor area: 30,791 m²
- Number of levels: 1+1

OSIJEK-BARANJA COUNTY

Population (2011): **305,032**

GDP per capita (2011): **8,271 EUR**

Unemployment rate (2013): **32.1%**

Average gross salary: **891 EUR**

Average gross salary in the sector (tourism): **628 EUR**

Osijek-Baranja County is located in the Pannonian Plain in the North-East of Croatia. The centre of the County is the City of Osijek, which represents administrative, economic, cultural and educational centre of Eastern Slavonia. Natural resources, a well-preserved environment, relatively unpolluted soil, an abundance of waterways and a moderate climate offer rich flora and fauna (the world-famous Slavonian forests). The most important economic activities are agriculture and a modern, high-tech food processing industry (large investments have recently been made in intensive organic agriculture).

A growing industries are eno-gastro tourism (wine roads and traditional Slavonian cuisine based on local agricultural products), traditional hunting and health tourism developed on geothermal springs. The County is internationally known by its Lipizzaner horse farm and traditional folklore festival (Đakovački vezovi).

The County has launched nature-protective measures in 16 protected areas, among which is the famous Kopačevo Wetlands Natural Park (Kopački rit), especially known as an ornithological and waterfowl habitat.

The most important road access to the County is the A3 Zagreb-Lipovac Highway, as well as the highway on the Pan-European Corridor Vc (Budapest–Osijek–Sarajevo–Ploče).

The University of Osijek is the centre of higher education of the County.

CONTACTS

Municipality of Darda, Mr Antonio Branilović, Vicemayor, e-mail: opcina.darda@os.t-com.hr

Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr,

Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr



FORTIFICATION BROD HOTEL

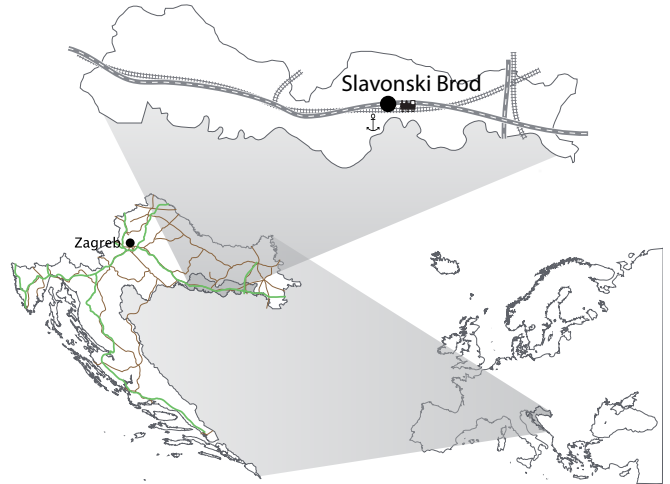
Slavonski Brod

PROJECT LOCATION AND DESCRIPTION

The Project is located in the old fortification near the City promenade in Slavonski Brod, and includes the reconstruction of a former military building which used to be a part of the fortification, into a modern hotel. The site includes a preserved foundation of the building, on which the hotel is planned to be built, in the original shape of military barracks.

The Brod Fortification is a symbol of cultural heritage in Brod-Posavina County, and has a status of a cultural monument, which should contribute to the future hotel attractiveness. Another advantage is its location at the centre of Slavonski Brod, with an easy access to all tourist attractions in the County.

There are already a few tourist-cultural institutions within the Fortification (Art Gallery Ružić and Tamburitza Museum). In the near vicinity there is the House of Ivana Brlić-Mažuranić, a famous Croatian writer of children's literature, the Theater and Concert Hall, The Brod-Posavina Museum, a Franciscan monastery from 1723, sports and recreational centre, and city swimming pools.



CURRENT PROJECT STATUS

All required documentation, including the building permit and main design certificate, as well as all the permits from the Ministry of Culture and the Conservation Department have been obtained. The feasibility study with cost-benefit analysis has also been completed.

TRANSACTION MODEL

The possible transaction models include a joint venture with a strategic partner, as well as concession and/or lease.

ESTIMATED VALUE

The estimated value of the project is 5 million EUR.



SPECIFICATION OF ACCOMMODATION CAPACITIES

The project documentation includes a construction of a 2-storey building on a land lot of 1,703.36 m². The ground plan covers 899.36 m², while the gross building area will amount to 4,178.53 m².

The hotel will contain 32 rooms with 58 beds and 4 apartments with 8 beds. During the construction of the hotel, the investor will have to comply with the conservatory requirements.



Fortification Brod with the foundation of the future hotel

BROD-POSAVINA COUNTY

Population (2011): **158,575**

GDP per capita (2011): **5,882 EUR**

Unemployment rate (2013): **37%**

Average gross salary: **858 EUR**

Average gross salary in the sector (tourism): **528 EUR**

The main competitive advantage of Brod-Posavina County is its exceptional geo-strategic position as it is situated on the crossing of important European traffic corridors: The Pan-European Corridor X which connects Western Europe with South-East Europe and Middle East, and the Pan-European Corridor Vc connecting Northern and Eastern European countries with the Adriatic Sea. The County is intersected with railway, highway, inland waterways, telecommunications networks and oil pipeline.

There are four capital cities (Zagreb, Budapest, Belgrade and Sarajevo) within 350 km radius of the County seat, Slavonski Brod. The river Sava, which represents a natural border with Bosnia and Herzegovina, enables waterway traffic with Central and South Europe as the most cost-effective way of transporting commodities and cargo. The Port of Slavonski

Brod is connected, by road and railway infrastructure, with international infrastructure corridors.

The most present business activities in the County (measured by their share in the total revenue) are manufacturing/processing industry - metal processing, wood processing and furniture manufacturing, chemical industry and food processing (49%), trade (14%), construction (11%) and agriculture, forestry and fishery (9%).

The County has an excellent potential for development of tourism: large forest areas, the ornithological reserve Jelas, special reserve of forest vegetation and a nature park. There are large hunting and fishing areas with abundance of game and large fishing ponds along the rivers Sava, Orjava and Mrsunja, suitable for wild ducks and geese hunting.

There are also numerous picnic areas (Strmac, Ljeskove vode, Migalovci, Petnja, etc) and protected landscapes (Gajna, Prašnik, Muški bunar, Lonjsko polje). A significant role in the development of tourism also belongs to the archaeological sites, cultural and historical heritage, galleries, museums and buildings of sacral culture.

CONTACT

City of Slavonski Brod Development Agency, www.ra-sb.hr
Dejan Vuksanović, Acting Director, e-mail: info@ra-sb.hr



JANKOVIĆ CASTLE, Suhopolje

PROJECT DESCRIPTION

Janković Castle, located in the Suhopolje municipality in the central part of Virovitica-Podravina County, has historical, architectural and townscape value and, as such, is protected as a cultural monument. Together with the historical park and the remaining supporting structures, the castle makes a valuable example of feudal countryside architecture of the late 18th and the early 19th century.

The main idea behind the project is the renovation of the old castle and the corresponding facilities into a four-star hotel with accompanying wellness, restaurants and sports facilities (swimming pools) covering the total area of 74,430 m². The location has very good transport links (distance from the highway is 75 km, railway 1 km, airport 85 km) and all necessary infrastructure (gas, electricity, water, sewage) is provided. Given the lack of accommodation facilities, especially those of high quality in the region of Virovitica-Podravina County, the project offers significant potential for tourist development of the region, particularly for sports tourism such as hunting. This region is rich with big game and is known for a large number of wild boars and deer as well as attractive quail hunting in the summer and hare, pheasant, partridge and wild duck hunting in the winter season.



POTENTIAL TRANSACTION STRUCTURE

Janković Castle, 100% owned by Virovitica-Podravina County, will be offered to a strategic partner based on right to built model which will be granted for 99 years and will cost 1 HRK per year (1 HRK = 0.13 EUR) under the condition that the real estate will be brought to purpose within five years from the selection of the best bidder.

ESTIMATED VALUE

Total project value is estimated at 10 million EUR.

CURRENT PROJECT STATUS

The project is in a high stage of readiness as all major planning permits and additional documentation necessary for the fulfilment of the project have been obtained. The main project is currently being verified.



PLANNED FACILITY



- Total land area: 74,430 m²
- Gross developed area: 2,819 m²
- Ground floor area: 1,280 m²
- Number of levels: 2
- Number of accommodation units: 60

VIROVITICA-PODRAVINA COUNTY

Population (2011): **84,836**
GDP per capita (2011): **6,333 EUR**
Unemployment rate (2013): **36.2%**
Average gross monthly salary: **851 EUR**
Average gross monthly salary (tourism): **541 EUR**

Virovitica-Podravina County is located in northeastern Croatia and covers the area of Slavonia and Podravina. It is bordered by Bilogora, Papuk and Krndija from the South, with its slopes gradually merging with the Pannonian Plain. The County's northern border is the River Drava which also makes a natural border with Hungary in the largest part of its hundred kilometre long course.

The city of Virovitica is an administrative, economic, cultural and educational centre, in which tourism is developed through a variety of traditional and contemporary forms. Cultural, historical, theatrical and sporting events, exhibitions and concerts have had a long tradition. Through two large mosaic event cycles – 'Rokovo' and 'December in the city', traditional and modern customs are brought together. New restaurants and accommodation facilities, categorized from two to four stars, are systematically opened in accordance with the increased demand.

Fruit growing, horticulture and cattle breeding have a long tradition due to the wealth of natural resources. While corn and wheat, medicinal herbs, tobacco and sugar beet of the highest quality are grown on fertile Slavonia and Podravina fields, the slopes of Bilogora and Papuk are covered with vineyards.

The forest richness has given impetus to the development of wood processing industry with worldwide reputation. Pure nature is an ideal setting for beekeeping, and beekeepers are known as the best in Croatia due to quality and quantity

of their honey. The location of Virovitica-Podravina County at the intersection of important traffic routes has also led to the development of trade. Renowned international fairs – 'Viroexpo' and 'Agroexpo' in Virovitica and 'Agroarca' in Slatina have grown from small local events to some of the largest fairs of this type in Croatia.

The Papuk Park is at the forefront of recreational facilities offer because of a series of educational, recreational, hiking, biking and riding trails. Orahovica, Slatina, Virovitica and Pitomača offer a range of quality sports and recreational facilities. Throughout the County it is possible to enjoy horseback riding, perhaps most easily experienced on Pustara Višnjica, which won the prestigious title of the European Destination of Excellence (EDEN) in 2011. Family farm 'Zlatni klas' in Otrovanc offers recreational riding and a horseback riding school. Unavoidable form of summer recreation is swimming – in a pool, on pebbled Drava beaches or in lakes. The Orahovica Lake attracts tens of thousands of swimmers during summer months, as it is among the most attractive continental swimming areas. During snowy winters, the slopes of Papuk and Bilogora become real ski slopes. There are several ski resorts with ski lifts in Virovitica and Slatina.

In the County, there are 32 hunting areas managed by thirty hunting associations. Hills and mountains preserves are situated on the slopes of Bilogora, Papuk and Krndija, while lowland hunting preserves follow the river Drava. Large game includes deer, roe deer, wild boars, and small game pheasants and rabbits. Due to the large number of game, this area is classified as one of the richest hunting grounds in Croatia. In the area which spreads over a hundred kilometers, Drava offers almost countless places for successful fishing (catfish, carp, pike, pikie-perch, amur, burbot, asp, barbel, sterlet, bream, eels and other species).

CONTACTS

Virovitica-Podravina County, Mr Tomislav Tolušić, County Prefect, e-mail: ured.zupana@vpz.hr
Virovitica-Podravina County's Regional Development Agency, Mr Tomislav Petric; e-mail: tomislav.petric@ravidra.hr
Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr
Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr



JARKI CAMP, Stubičke Toplice

PROJECT DESCRIPTION

Jarki Camp is a project owned by the Stubičke Toplice Municipality, whose aim is to develop the existing tourism infrastructure and improve tourist offer in the region. The project envisages the construction of an autocamp with 45 camp places for camping trailers, camp motor vehicles as well as a number of wooden prefabricated units with adjoining facilities and the necessary infrastructure. All facilities are planned to be built from wooden materials.

LOCATION DESCRIPTION

The camp is located in the heart of Hrvatsko Zagorje region (Krapina-Zagorje County in the northern Croatia) in a small place Stubičke Toplice, within the nature park Medvednica. Near the camp there is a sports-recreational lake Jarki, the centre of numerous regional and international sports - fishing competitions and recreational activities as well as the Hotel & SPA Terme Jezerčica situated on the mineral spring of natural healing thermal water.

The ski resort Sljeme on the mountain Medvednica, internationally known for the men's and women's slalom World Cup race "Snow Queen Trophy", named in honour of Janica Kostelić, world-famous Croatian skier, is only 20 km from Stubičke Toplice. The Medvednica mountain offers numerous possibilities for popular sport activities such as cycling, hiking and running. Also, the national sanctuary of Majka Božja Bistrička (Mother of God), one of the most popular and most visited Marian sanctuaries in Croatia, is located in Marija Bistrica, 19 km away from the Camp.



TRANSACTION

Sale of 8,189 m² land plot.

CURRENT PROJECT STATUS

The project is in the high stage of readiness with the main design certificate obtained.

PLANNED CAPACITIES

AUTO CAMP FACILITIES:

- ✓ 45 camp places for camping trailers and camp motor vehicles of different sizes:
 - ✓ 21 plots of 80 m²
 - ✓ 13 plots of 100 m²
 - ✓ 11 plots of 120 m²
- ✓ Simple wooden prefabricated units: reception and toilet facilities of approx. 149 m²
- ✓ Tourist house with accommodation (9 rooms and 2 suites), shops and catering facilities



KRAPINA-ZAGORJE COUNTY

Population (2011): **132,892**

GDP per capita (2011): **6,300 EUR**

Unemployment rate (2013): **21.3%**

Average gross monthly salary: **847 EUR**

Average gross salary in the sector (tourism): **642 EUR**

Krapina-Zagorje County is located in the north-western part of Croatia, covering an area of 1,224 km². In the West it borders with Slovenia, in the Northeast with Varaždin County, and with Zagreb County in the Southwest and Southeast. The County's location makes it an unavoidable transport route from Western Europe via Slovenia (Maribor) to the country capital City of Zagreb and further towards all main international and national routes leading to South, East and North of Croatia.

The County's economy is based on manufacturing and processing industries with production of glass and glass products, machinery and mechanical appliances, furniture,

fibres, clothes and clothing accessories as the leading branches. It is traditionally oriented toward its main export partners: Slovenia, Germany, Italy and Austria.

The County has extremely rich cultural, historical, religious and eno-gastronomical offer. It abounds with many medieval castles and fortifications. The Prehistoric Park of Krapina Neanderthals (world's most important Neanderthal site) makes Krapina-Zagorje County one of the most attractive continental destinations in Croatia.

Due to its richness in thermal and drinking water springs, the County is widely known and popular destination for health and spa tourism as well.

CONTACTS

Stubičke Toplice Municipality

Mr Vladimir Bosnar, Mayor

e-mail: nacelnik@stubicketoplice.hr, tel: +385 49 282 733



REPUBLIC OF CROATIA

PROJECT KUPARI, Kupari

PROJECT

OVERVIEW:

Owned by the Republic of Croatia, the project is situated on one of the most attractive locations in south Dalmatia (Kupari I, covering a land area of 14 hectares) and is intended for the development of high-end tourism resort.

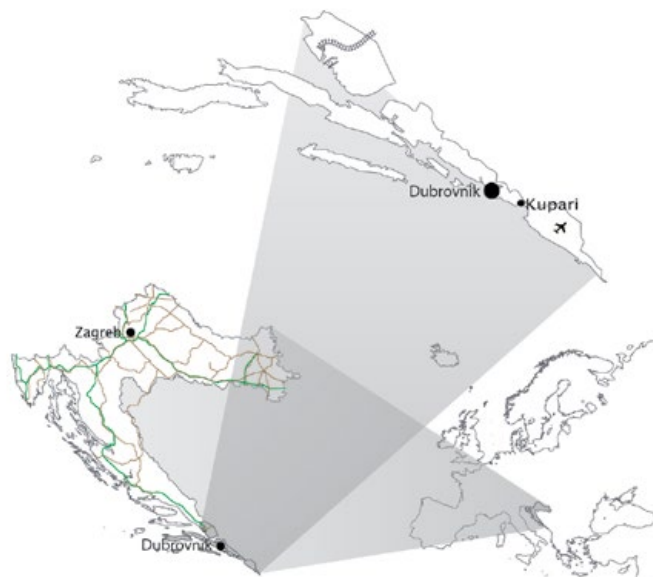
The Project scope is determined by Physical Plan of Župa Dubrovačka Municipality, and includes construction of new hotels with up to 1,500 accommodation units and 4-5 stars categorization. The future investor will also be obliged to demolish the existing hotels Kupari, Pelegrin, Goričina I and Goričina II with supporting facilities.

TRANSACTION MODEL:

The right to build and use the property for a period up to 99 years.

CURRENT STATUS:

The State Office for the Administration of Government Property announced on February 7, 2014 *A Call for an Expression of Interest for the Establishment of the Right to Build and Use the Property* on the KUPARI I location and was open



until March 9, 2014. All interested investors, including those who did not submit a Letter of Intent for a non-binding expression of interest, will be able to participate in a binding expression of interest.

DESCRIPTION OF THE PROPERTY

The Kupari Tourist Complex is a former military resort, situated in the village Kupari, near the City of Dubrovnik (11 km) and Dubrovnik International Airport (16 km).

Kupari I site consists of a large number of land registry plots and five non-operating hotels in a very poor condition: Grand, Pelegrin, Kupari, Goričina I and Goričina II, with their adjoining facilities.



Point on the map	Hotel	Net developed area
1	Pelegrin	7,346 m ²
2	Kupari	19,894 m ²
3	Grand	6,102 m ²
4	Goričina I	2,140 m ²
5	Goričina II	12,282 m ²



DUBROVNIK-NERETVA COUNTY

Population (2011): **122,568**

GDP per capita (2011): **9,807 EUR**

Unemployment rate (2013): **20.5%**

Average gross salary: **994 EUR**

Average gross salary in the sector (tourism): **984 EUR**

Dubrovnik-Neretva County comprises of 5 cities and 17 municipalities. The main characteristic of the County's economy is the predominance of tertiary sector with tourism and hospitality industries and maritime shipping as main activities. The region also has significant agricultural potential in the area of the Neretva River Delta Valley and in the Pelješac Peninsula known for the active production of high quality wines. Through investments in new and

existing hotels, sports and infrastructure capacities and their constant development, tourism has become an industry of great strategic importance for the County, currently with 14 five-star hotels and 15 four-star hotels.

It is rich in carefully cultivated landscape and places with long history, such as numerous monuments, archives and magnificent treasuries.

The capital City of Dubrovnik is already recognized as a world brand: Dubrovnik's famous old town is listed on UNESCO's world heritage list 1979; USA Today placed Dubrovnik at the 4th place of the prettiest European cities in November 2013; it is also listed as one of the top three convention destinations of Southeast Europe in 2013 according to the Congress Magazine.

KEY FACTS FOR INVESTORS

Developed educational network:

- High schools for hospitality and catering
- Universities related to tourism and hospitality (RIT Croatia - division of Rochester Institute of Technology, New York and Dubrovnik University)

Local suppliers of high quality agriculture and fishery products

- wine, olives, olive oil, fresh shells and fish, vegetables and fruits

Highly developed transport infrastructure:

- International Airport Dubrovnik (annual no. of passengers 1.3 mil)
- Port of Dubrovnik (1 mil. passengers)
- Modern A1 Zagreb-Split-Dubrovnik Highway

Presence of famous hotel chains

- Hilton, Radisson Blu, Rixos, Uzel Holding, Adriatic Luxury Hotels etc.

10% ↑

increase in total guests arrivals in 2013 compared to 2012

648

cruise ships arrived to Dubrovnik port in 2013. bringing in more than 1 million tourists

2

golf resorts planned within 35 km area of the City of Dubrovnik

Significant markets:

- Great Britain
- France
- Germany
- USA
- Norway

CONTACTS

Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr;
Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr

State Office for the Administration of Government Property (DUUDI), www.duudi.hr, e-mail: info@duudi.hr

Ministry of Tourism, www.mint.hr, e-mail: razvoj@mint.hr

Agency for Investments and Competitiveness, Radnička cesta 80, 10 000 Zagreb, Croatia

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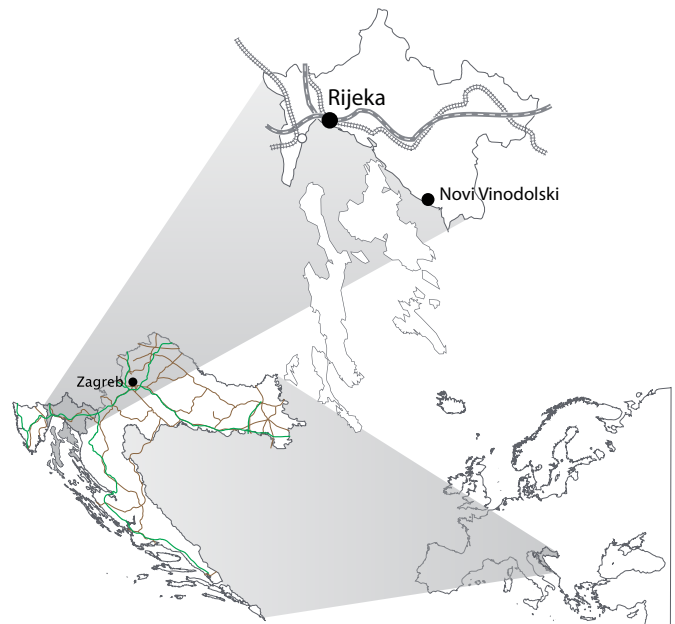


RECREATIONAL-ENTERTAINMENT ZONE, Novi Vinodolski

PROJECT LOCATION

The project "Recreational-Entertainment Zone", with a surface area of around 4,422 m² is located in the central part of the northern Croatian coast, in the valley Vinodol in the Town of Novi Vinodolski. Due to the favorable Mediterranean climate, rich historical and cultural heritage, the Town has had a long tourism tradition (since 1878). The trend of the increasing number of overnight stays and arrivals has recently been recorded (average annual number of arrivals 87,000 and 530,000 overnight stays in the last 3 years).

The Town itself has an exquisite geographic and spatial position and, together with the closest surroundings, it offers still untapped opportunities for further development of recreational, sports and rural tourism. Novi Vinodolski has a potential to develop into an important nautical centre. There are plans to construct a marina and a port in the nearby inlet "Muroskva", which will also be open to public transport.



PROJECT DESCRIPTION

"Recreational-Entertainment Zone" is owned by the Town of Novi Vinodolski, and is located in the most attractive tourist part, in the near vicinity to the Town centre, the park and the beach. The project is envisaged to be developed in two zones - the land and maritime zone in six functional units with catering, beach, sports and recreational facilities.

The onshore area is planned for landscaping theme park, coastal promenades and access roads with parking. Sports and recreational facilities include the construction of two tennis courts (1,460 m²) with complementary facilities and are interpolated into a public park area. A construction of the moorings for visitors boats is planned next to the restaurant's terrace. Additionally, a swimming pool and waterslide are planned on the gross area of 2,035 m², and a catering facility on the gross area of 525 m².



ESTIMATED VALUE

The total estimated value is approx. 2.5 mil EUR with the following investment structure:

1. Beach reconstruction and development (110,000 EUR)
2. Construction of beach facilities including a terrace, swimming pool, waterslide and sunbathing area (2,188,815 EUR)
3. Construction of a new pier with a plateau in the extension of catering facilities (165,789 EUR)

TRANSACTION MODEL

Out of 4,422 m² of the Recreational-Entertainment Zone Novi Vinodolski, for 1,520 m² owned by the Town of Novi Vinodolski the public invitation for concession will be announced, while

for the part that will be developed on the maritime domain, a potential investor will have to ensure the separate concession which will also be the subject of a public tender.



PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2011): **12,724 EUR**

Unemployment rate (2013): **17%**

Average gross salary: **1,008 EUR**

Average gross salary in the sector (tourism): **868 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the North and the Adriatic in the South. Its geography comprises woodland mountains, seashore and islands. Primorje-Gorski Kotar County is the birthplace of Croatian tourism. A holiday destination for Habsburg emperors, it is proud of the towns of Opatija and Lovran that have offered high-end and health tourism for more than a century now.

The County's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian

university fully dedicated to the education of specialised tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The County is also especially attractive for nautical tourism. There are 10 marinas with a total of 3,143 berths. The County is well-connected with continental Croatia as well as the neighbouring countries. Rijeka is a major ferry port with regular connections to islands and the South of the Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, Ljubljana).

CONTACT

Town of Novi Vinodolski

Ms Petra Opačak, Senior Associate in Finance Department

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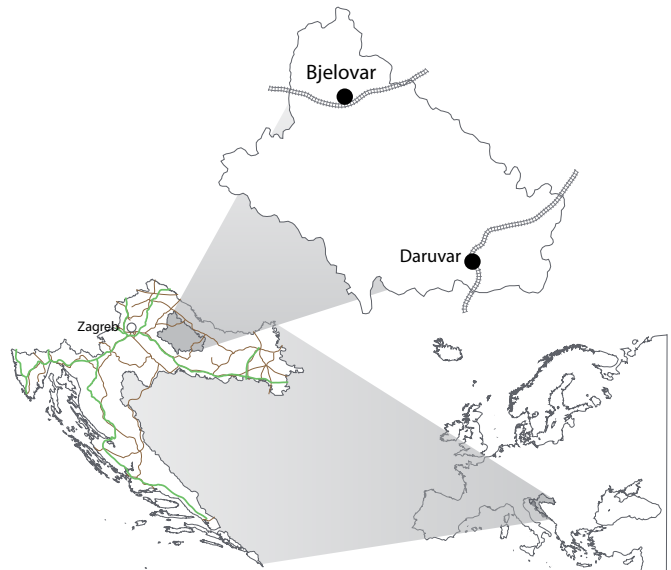
RIMSKA ŠUMA HOTEL, Daruvar

PROJECT DESCRIPTION

The project is located in the central part of continental Croatia, in Bjelovar-Bilogora County, the Town of Daruvar, which is also the Project holder.

The project envisages the construction of a hotel with 250 accommodation units and complementary facilities: restaurants, lobby bar, night lounge bar, spa and conference centre of 600 m².

There is a source of thermal water in the near vicinity. Thanks to its thermal springs and nature, the Town of Daruvar has a long tradition in health and thermal tourism, but it also has the most diverse tourism resources in continental Croatia with bathing, wineries, brewery, hunting grounds, fishing areas, nature paths for walking, cycling, hiking, agro tourism, events and meeting possibilities.



PROJECT LOCATION

The project area covers 27,751 m², and comprises two neighbouring plots (17,949 m² and 9,802 m²) divided by a narrow water channel (which may be covered, thus allowing the possibility to connect two plots as one).

The project is situated near the forest park Rimska šuma, approximately 600 meters north-east from the main town square, and in the vicinity of other tourist spots such as one of the oldest Croatian spas with medical rehabilitation and thermal water spa Daruvarske Toplice as well as the Julijev Park, the oldest spa park in Croatia.

Due to the constant increase of demand for hotel accommodation, in the immediate vicinity of the modern Thermal water park Aquae Balissae, the new project "Aquae Balissae Hotel", also owned by the Town of Daruvar, is planned to be developed. The aim of the project is to build the best family spa thermal hotel (3*/ 4*) in Croatia with supporting facilities (restaurant, lobby bar with outdoor terrace, multi-purpose hall, swimming pool, souvenir shop, parking).



ESTIMATED VALUE

The project value is estimated at 20 mil EUR.

CURRENT PROJECT STATUS

The project area is in accordance with the General Urban Plan and the Physical Plan of the Town of Daruvar.

TRANSACTION MODEL

Project will be offered to a strategic partner based on the right to build model which will be granted for a period of 99 years.

PLANNED FACILITIES

4* Congress, spa & health hotel with 250 rooms (of which 10 % suites) with 500 beds, including:

- A la carte restaurant and fine dining restaurant
- Lobby bar with an outdoor terrace, night lounge bar, spa bar and pool bar
- Congress centre with the total rentable area of approximately 500 – 600 m²
- Large spa with a variety of treatments, two outdoor thermal pools, gym, tennis grounds
- Specialized health clinic, shops, and other facilities



BJELOVAR–BILOGORA COUNTY

Population (2011): **119,764**

GDP per capita (2011): **7,062 EUR**

Unemployment rate (2013): **30.2%**

Average gross salary: **833 EUR**

Average gross salary in the sector (tourism): **529 EUR**

Bjelovar–Bilogora County is located in the Northwest of the Republic of Croatia, with the Town of Bjelovar as the county seat. Extensive road network, mainly regional and local roads, connects the County with the main traffic routes to Western Europe and the southeastern regions.

The diversity of natural-geographic features provides opportunities for economic development. The County has considerable sources of oil, gas, silica sand, clay, thermal waters and other natural resources. Quality and vast agricultural land and rich forest fund are the base for the development of cattle breeding and agriculture, food processing industry (significant milk production and milk processing industry, brewery, mill and confectionery industry, meat processing industry, cultivation and processing of freshwater fish) and wood processing industries, which are the backbone of the County economy. It is also known for its long tradition in metal processing and textile industries, as well as for its health tourism (medical rehabilitation) in which it has excelled for centuries.

Based on the natural source of thermal springs and its benefits, the spa town Daruvar of ancient name Aquae

Balissae, with the first thermal springs built in year 288 BC was highly appreciated by Roman soldiers, medieval peers, Turkish Beys, Austro-Hungarian aristocracy as well as artisans and bourgeois.

In 1745 the Empress Maria Theresia granted land properties to the Count Janković's family, which was followed by a period of 150 golden years for the Town of Daruvar, as a health centre began its work and numerous historic buildings were built, some of which are preserved up to date: The Parish Church of the Holy Trinity, Antun's Bath, Baroque Castle of Count Janković with an exotic park, Ivan's Bath, Swiss Villa, Arcadia, Central Mud Bath built in Moorish style with a large cupola which became a town's symbol.

One of the most famous archaeological findings in Daruvar is the emperor's Diatretum Cage Cup exhibited at the Museum of Art History in Vienna.

The wine route "Vino Via" presents a special tourist offer with tasting rooms where you can taste quality Daruvar wines: Rhine Riesling, Chardonnay and Sauvignon.

The natural beauty and wealth and friendly people provide excellent conditions for the tourism - hospitality services aimed not only at health-recreational tourism, but also at hunting activities with a series of excellent and high quality hunting grounds, fishing tourism, rural tourism and many other forms of relaxation and entertainment.

CONTACTS

Town of Daruvar, Mr Ratko Vuković, Head of Economy Department, e-mail: grad-gospodarstvo@daruvar.hr

Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr

Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr



SPORTS CENTRE KRK, Town of Krk

PROJECT DESCRIPTION

In order to improve the quality of life of its residents, increase the number of tourist arrivals and enrich the tourist offer, the Town of Krk is searching for prospective investors for the Sports Centre Krk project development.

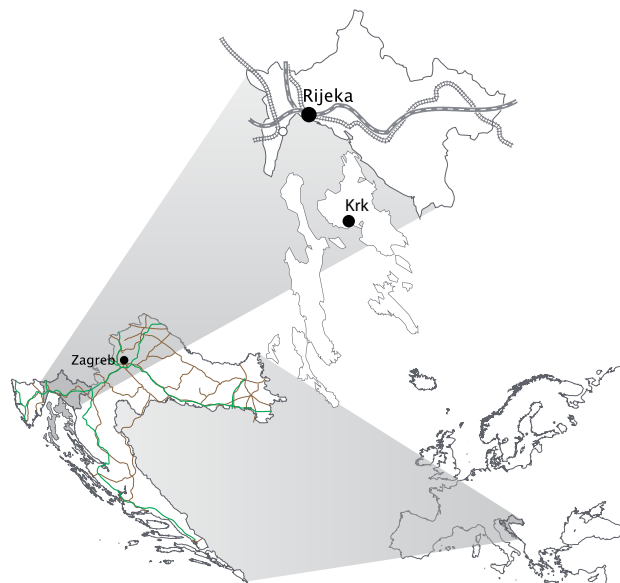
The project envisages the construction of a hotel with a wellness centre, a swimming pool and other supporting sports and business facilities in the area of the existing football field near the Krk town centre.

LOCATION

The project is located in the Town of Krk on the Island of Krk. Numerous restaurants, hotels and beaches are located in the immediate vicinity of the project site.

Occupying the area of 406 km² with a 190 km long coastline, Island of Krk is one of the largest islands in the Adriatic Sea. It belongs to the Primorje-Gorski Kotar County and is divided into the Town of Krk and six municipalities: Punat, Baška, Dobrinj, Malinska, Omišalj and Vrbnik. The population of the island is 19,286 inhabitants.

The Island of Krk is the most accessible Croatian island which can be reached by car, bus, boat or plane. The Rijeka Airport is located in the vicinity of Omišalj on the island of Krk and connects the island with numerous European cities.



PLANNED CAPACITIES

According to spatial planning documents in force, the available area of 53,922 m² is determined for the following proposed facilities:

- **Hotel with 100 accommodation units** (gross developed area of 4,550 m²), swimming pool with outdoor area and wellness centre,
- **Business centre with complementary facilities** (gross developed area of 12,546 m²), congress hall, restaurant, cafe, shopping centre, offices and underground parking (191 parking slots),
- **Sports centre** (gross developed area of 27,123 m²), main football court, athletic track, auxiliary football court, Futsal grounds, Indoor Futsal court, bowling court, bowling club, club rooms, locker rooms, VIP area and stands for spectators.

All spatial planning documentation required for the project development has been adopted.

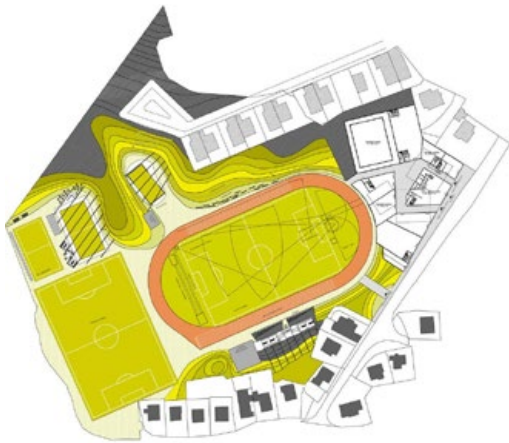
ESTIMATED VALUE

The total project value is estimated at 30 million EUR.

TRANSACTION MODEL

Several possibilities are offered to the potential investors, including sale, right to build and public-private partnership.

Project name: **Sports center Krk**
Address: **51 500 Krk, Trg bana Jelačića 2**
Website: **www.grad-krk.hr**



PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2011): **12,724 EUR**

Unemployment rate (2013): **17%**

Average gross salary: **1,008 EUR**

Average gross salary in the sector (tourism): **868 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the North and the Adriatic in the South. Its geography comprises woodland mountains, seashore and islands. Primorje-Gorski Kotar County is the birthplace of Croatian tourism. A holiday destination for Habsburg emperors, it is proud of the towns of Opatija and Lovran that have offered high-end and health tourism for more than a century now.

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university fully dedicated to the education of specialised tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The County is also especially attractive for nautical tourism. There are 10 marinas with a total of 3,143 berths. The County is well-connected with continental Croatia as well as the neighbouring countries. Rijeka is a major ferry port with regular connections to islands and the South of the Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, Ljubljana).

CONTACT

City of Krk, www.grad-krk.hr

Mr. Igor Hrast, Expert Associate for Sustainable Development, e-mail: igor.hrast@grad-krk.hr

Agency for Investments and Competitiveness, Radnička cesta 80, 10 000 Zagreb, Croatia

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OTHER REAL ESTATE PROJECTS

**Business Zone Crno
Đuro Đaković Industrial Zone**



BUSINESS ZONE CRNO, City of Zadar

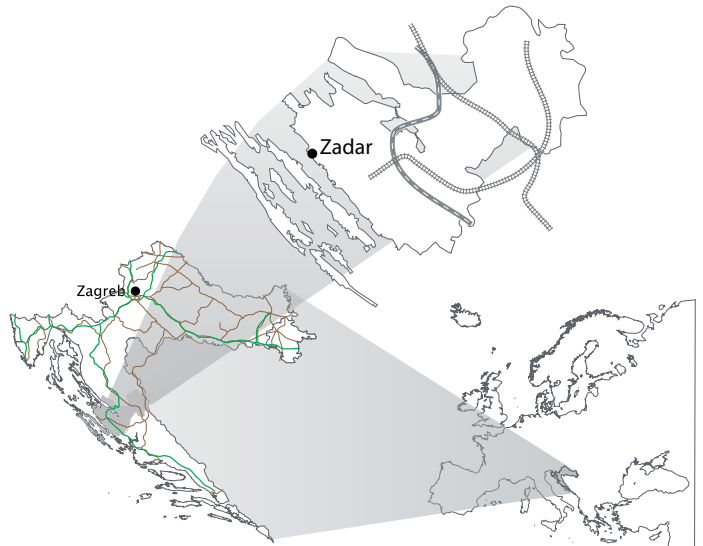
PROJECT LOCATION AND DESCRIPTION

The project includes the development of the business zone on an area of 4.0 million square meters, of which approximately 2.5 million square meters are construction land. The future zone is located near the City of Zadar, northern Dalmatia (Zadar County), next to the City's suburban settlement Crno. The Zone has an exceptional position and accessibility: the access road is 1 km away, the Port of Zadar (Gaženica) 4 km, Zadar International Airport 3 km and the industrial railway 4 km.

According to the physical plans (the City of Zadar Physical Plan and the Business Zone Crno Urban Development Plan), the project land is intended for: business purposes (business, management, office, trade and service facilities, shopping malls, and business hotels/motels), for production purposes (industrial, manufacturing, crafts and business plants, warehouses, business, management, office and trade facilities), for sports, recreational and green areas.

The allowed construction density (KIG) is 0.5 while the allowed construction efficiency (KIS) is 1.5, with a maximum building height of 16 m (ground floor + 4 floors).

The sole owner of the land is the City of Zadar.



TRANSACTION MODEL

The owner of the land and the project holder, the City of Zadar, is looking for a partner for development of the Business Zone Crno through a joint venture or SPV.

The other transaction possibilities include a sale of a part and/or a lease of the project land. The land can be divided into plots according to investors wishes, and there is no limit on the maximum size of plots. The minimum size of a plot is 0.25 ha.

The sale/lease fees, as well as communal contributions and fees are subjects of negotiations as they depend on the planned investment.



CURRENT PROJECT STATUS

The zone is undeveloped and no infrastructure within the Zone is provided. However, the road and water supply system have been constructed up to 400 m to the Zone, while the sewage system (up to the Zone) is currently in construction. The main gas station for gas supply of the whole Zadar area is located around 800 meters from the Business Zone Crno.

THE LAND USAGE ACCORDING TO THE PHYSICAL PLANS



ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2011): **8,302 EUR**

Unemployment rate (2013): **22.5%**

Average gross monthly salary: **958 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area is 7,487 km² of both sea and land. It is well connected via road, sea and air, i.e. Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 27% growth in the number of passengers in 2013/2012.

The County's most important sectors are trade (30%); manufacturing industry (19%) – food industry, metal production, production of vessels, textile industry; transport and storage (13%); fishery and agriculture (8%), construction (8%) and tourism (7%). The main export markets are Japan (21%), Italy (19%), Slovenia (9.5%) and Germany (9.4%) while the most exported products are aluminium products (43.7%), fish – fresh and processed (34.7%) and machinery (7.9%).

Zadar County is the most successful Adriatic county regarding the production and export in the sector of mariculture. The tradition of fish processing industry in Croatia is more than 130 years old and is one of the first industries on the Croatian coast and islands.

Zadar County is the seat of the majority of the Croatian tuna farmers and of the largest grower of white fish. It also has the highest concentration of the fishing fleet in Croatia (fishing cooperatives, enterprises and numerous fishing crafts).

Zadar is also an ancient European university city with a tradition since 1396. It offers 24 academic departments, such as: Agriculture and Mediterranean Aquaculture, Economics, Traffic and Maritime Studies, English, German, Italian and French Studies, Tourism and Communication Sciences department and Humanities department. It has approximately 5,800 undergraduate, graduate, postgraduate and doctoral students.

The centrepiece of the rich tourist offer in the County is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of these are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the tourist offer of the County. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and a famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

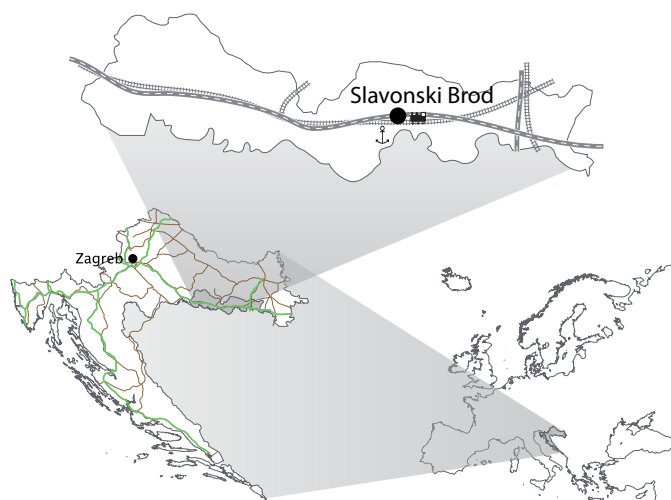
CONTACT

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Economics and Crafts Department, e-mail: gospodarstvo1@grad-zadar.hr
tel: +385 23 208 122; fax: +385 23 208 195

PROJECT

The project includes the sale of 30,000 m² of land owned by Đuro Đaković holding Plc., located in one of the biggest business zones in eastern part of Croatia (Đuro Đaković industrial zone), with excellent access to highway (7 km), railway (1 km) and river port of Slavonski Brod (3 km). The zone covers approx. 100 hectares of land and has 70 tenants (companies mostly engaged in production, energy and construction). It is equipped with all necessary infrastructures (energy, gas, water, industrial railway) and provides a number of professional and administrative services to its users.

Due to the long industrial tradition of the zone and its potential, the project land would be suitable for a large international manufacturing company whose activities are related to the activities of the other companies located in the zone.



TRANSACTION

There are two potential transaction models:

- Sale of land
- Joint Venture agreement with Đuro Đaković Holding Plc.

COMPANY

Đuro Đaković group is one of the biggest industrial groups in Croatia and the region, with long-standing tradition, established reputation on the global market and revenue of 80.8 million Eur (in 2013). The Group has five business divisions: defence, transports, industry & energy, construction & infrastructure and renewable energy.

The Group consists of Đuro Đaković Holding Plc. as the central operating company and seven companies in which Đuro Đaković Holding Plc. is the majority owner:

- **ĐĐ Specijalna vozila Plc.** (production of special vehicles, armoured combat vehicles, tanks and mine sweepers),
- **ĐĐ Elektromont Plc.** (electro-technical engineering, processing industry, renewable energy),
- **ĐĐ Inženjering Plc.** (engineering),
- **ĐĐ Proizvodnja opreme Ltd.** (production of heavy steel construction, equipment in cement industry and pressure vessels),
- **ĐĐ Strojna obrada Ltd.** (production of locomotive and wagon wheelsets, oil pumping units, oil well heads and transmission gears),
- **ĐĐ Energetika i infrastruktura Ltd.** (energy and infrastructure) and
- **Free Zone Đuro Đaković Slavonski Brod Ltd.** established within the Đuro Đaković industrial zone.

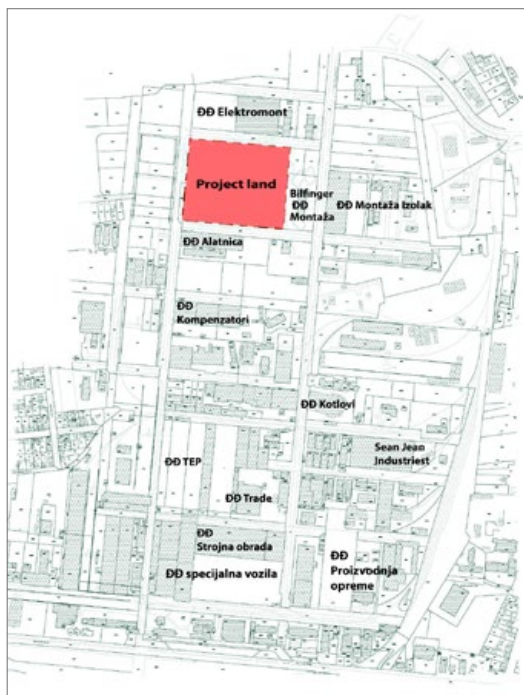
Technologies and capacities used by the companies within Đuro Đaković group include:

- **Cutting:** flat cutting, cutting with plasma,
- **Forming:** press up to 400 t, bending up to 150 mm,
- **Welding:** welding machines, positioners, rollers,
- **Machine tools:** vertical lathe (Karusel), horizontal lathe, boring and milling machine (Bohrwerk),
- **Welding equipment:** positioners and rollers up to 100 tons,
- **Heat treatment:** furnace length 21.5 m, width 6 m, height 6 m; induction 120 kw.

Some of the other tenants in the zone include:

- **Bilfinger Đuro Đaković Montaža Ltd.** (construction and assembly of power plants, petrochemical and industrial plants, bridges and steel constructions),
- **Saint Jean Industries** (development and manufacturing of aluminium components for automotive industry),
- **ĐĐ Termoenergetska postrojenja Ltd.** (fabrication of waste incineration boilers, biomass-wood incineration and industrial boilers, industrial and behind gas turbine HRSG boilers; heat exchanger fabrication; inspection and life assessment of boiler plants),
- **ĐĐ Kompenzatori Ltd.** (production of stainless steel, high alloy expansion joints (axial, pressure balanced, double hinged and similar) and chimney elements).

Company name: **Đuro Đaković Holding Plc.**
Address: **35 000 Slavonski Brod, Ul. Dr. Mile Budaka 1**
Website: **www.duro-dakovic.com**



BROD-POSAVINA COUNTY

Population (2011): **158,575**

GDP per capita (2011): **5,882 EUR**

Unemployment rate (2013): **37%**

Average gross salary: **858 EUR**

The main competitive advantage of Brod-Posavina County is its exceptional geo-strategic position as it is situated on the crossing of important European traffic corridors: Pan-European Corridor X which connects Western Europe with South-East Europe and Middle East, and Pan-European Corridor Vc connecting Northern and Eastern European countries with the Adriatic Sea. The County is intersected with railway, highway, inland waterways, telecommunications networks and oil pipeline.

There are four capital cities (Zagreb, Budapest, Belgrade and Sarajevo) within 350 km radius of the County seat, Slavonski Brod. The river Sava, which represents a natural border with Bosnia and Herzegovina, enables waterway traffic with Central and South Europe as the most cost-effective way of transporting commodities and cargo. The Port of Slavonski Brod is connected by road and railway infrastructure with international infrastructure corridors.

Most represented business activities in the County (measured by their share in total revenue) are manufacturing/processing industry - metal processing, wood processing and furniture

manufacturing, chemical industry and food processing (49%), trade (14%), construction (11%) and agriculture, forestry and fishery (9%).

The processing industry has the largest part in the revenues from exports (predominantly metal industry, followed by wood processing, agriculture and production of furniture and chemical products), with its most important export markets in Bosnia and Herzegovina, Austria, France, The United Kingdom and Italy.

The County's industrial tradition is reflected in its education policy with Mechanical Engineering Faculty Slavonski Brod offering vocational, undergraduate, graduate and postgraduate studies in Production Engineering and Mechanical Engineering and Slavonski Brod Polytechnics with vocational studies in mechanical engineering and management. The County also offers a number of lifelong programs, such as MAG welder, MMA welder, TIG welder, flame welder, tower crane and portal bridge cranes operator, truck crane operator and similar.

In addition to Đuro Đaković industrial zone in Slavonski Brod, there is a very well developed Industrial Park Nova Gradiška and business zones Bjeliš, Rižino polje and Davor as well as business incubators: BRODIN – Brod Business Incubator and Business Innovation Support Centre (BISC) Nova Gradiška.

CONTACTS

Đuro Đaković Holding Plc., www.duro-dakovic.com

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STATE-OWNED PORTFOLIO

TOURISM COMPANIES

Hoteli Makarska Plc.

Hoteli Plat Plc.

Imperial Plc.



REPUBLIC OF CROATIA

HOTELI MAKARSKA Plc., Makarska

TRANSACTION

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COMPANY

Hoteli Makarska Plc. is a tourist-hospitality company, established in 1952, offering accommodation and hospitality services in its three hotels near the beach. The Company is located in the renowned tourist destination Makarska Riviera (in Central Dalmatia). With a diversified tourist offer the Company has established a prominent position on international markets (approximately 90% of guests are from abroad).

In addition to the existing offer, there is a great potential to develop the Rivijera Hotel into a modern sports and recreation complex. The Rivijera complex already includes the largest tennis centre in Makarska that has occasionally hosted international tennis tournaments. The Meteor Hotel has several convention facilities, which can improve its position in the M.I.C.E. segment with appropriate marketing efforts.

The location provides endless possibilities for active holidays (hiking/walking and cycling paths on Biokovo mountain); cultural and heritage sightseeing, catholic pilgrimage tourism (Medjugorje, Vepric), and is easily accessible (Zagreb-Split-Dubrovnik Highway, Split International Airport). There are several marinas in the wider Makarska area, as well as a small harbour in front of the Company's Dalmacija Hotel.



SALE

Shares on sale: **463,305 (41.39% of share capital)**

Average price on stock market: **23.47 EUR (17.12.2014)**

FINANCIAL DATA (in EUR:)

Year	2011	2012	2013
Operating revenues	8,115,432	8,987,890	9,552,848
Operating expenses	7,381,092	7,871,358	7,936,339
EBIT	734,340	1,116,531	1,616,509
EBITDA	1,815,839	2,189,170	2,766,212
Net income	326,850	777,320	1,063,260
Total assets	33,402,198	33,214,061	34,504,688
Total liabilities	6,358,174	5,291,616	5,139,899
Number of employees	143	143	155

Agency for Investments and Competitiveness, Radnička cesta 80, 10 000 Zagreb, Croatia

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REAL ESTATE PORTFOLIO

HOTELS:

Meteor Hotel (**):** 11 levels, 277 accommodation units, size 23,391 m², built in 1983, partly renovated 2006-2011,

Dalmacija Hotel (*):** 11 levels, 190 accommodation units, size 13,423 m², built in 1970, renovated in 2004/2005.

TOURIST RESORTS/COMPLEXES:

Rivijera Hotel Complex ():** 3 levels, consisting of nine pavilions, 258 accommodation units, size 13,997 m², built in 1962, renovated and expanded several times.

CONVENTION CENTRE:

Four conference halls in the Meteor Hotel and one in Dalmacija Hotel.

SPORTS AND RECREATION FACILITIES:

Tennis centre, adjacent to the Rivijera complex, with 8 outdoor and 2 indoor tennis courts of total 7,808 m², two outdoor swimming pools, a gym and a wellness centre in the Meteor Hotel and a fitness centre in Dalmacija Hotel.

AREA:

Total facility area: 52,007 m²,

Net land area: 95,368 m².



SPLIT-DALMATIA COUNTY

Population (2011): **454,798**

GDP per capita (2011): **8,072 EUR**

Unemployment rate (2013): **27.9%**

Average gross monthly salary: **961 EUR**

Average gross salary in the sector (tourism): **878 EUR**

Split-Dalmatia County encompasses the territory of the historical region of Dalmatia, and is easily accessible via Zagreb-Split-Dubrovnik Highway and Split International Airport. The most important economic activity is tourism. In 2013, the County achieved 2.0 million tourist arrivals and approx. 11.5 million overnight stays (increase of 9% in comparison to a previous year), which makes 17.7% of total overnight stays in 2013 in Croatia. Traditionally, the most important markets are The Czech Republic, Germany and Poland.

There is a total of 128 hotels (3 five-star and 49 four-star hotels, while the remaining 74 are three- or two-star). In addition to hotels, accommodation is provided in apart-hotels, tourist resorts, tourist apartments and auto

camp. The overall accommodation capacity provided is approximately 150,000 beds with the highest participation of private accommodation (nearly 80%). There are 10 marinas (4 on islands and 6 on the mainland) with a total of 1,628 berths.

The present international hotel chains in Split include the Le Meridien Lav and the Radisson Blu.

The County's tourist potential includes: a rich heritage and cultural offer, catholic pilgrimage destinations, active and sports holidays and health tourism. There are UNESCO heritage sites in Split (Diocletian Palace) and Trogir; catholic pilgrimage destinations (Sinj, Vepric and vicinity to famous Međugorje); rafting on the River Cetina in Omiš area, and hiking, walking and cycling paths on mountains Marjan and Biokovo.

A large number of high schools offer education in the hospitality and catering sector, while the Split University provides undergraduate and graduate programs in tourism.

CONTACTS

Restructuring and Sale Center (CERP), www.cerp.hr, e-mail: info@cerp.hr

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Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr



REPUBLIC OF CROATIA

HOTELI PLAT Plc., Dubrovnik

TRANSACTION

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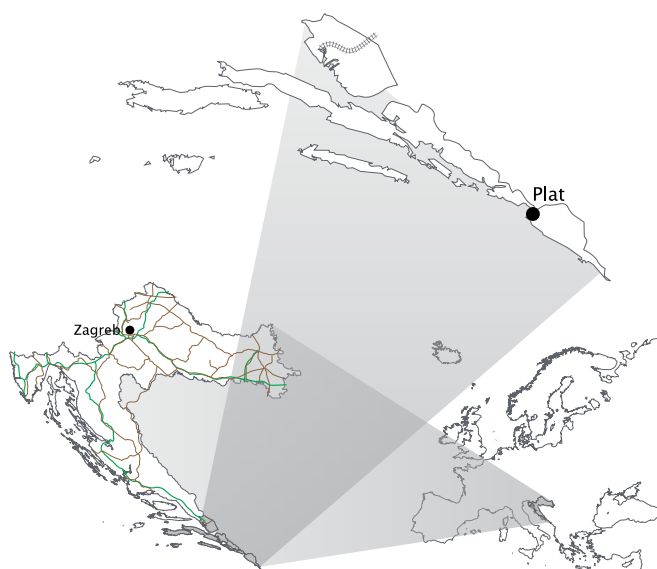
COMPANY

Hoteli Plat Plc. is situated in the small village of Plat, 12 km eastern of the City of Dubrovnik and 10 km from Dubrovnik International Airport.

The Company with its total size of 77,698 m² has exquisite potential for further development as an independent and self-contained hotel resort. The complex is located on the coastline with four pebble beaches, surrounded by thick Mediterranean vegetation. All rooms and apartments have sea-view balconies.

Built in 1970's, partly renewed in 2000, the Company still has parts of facilities that are damaged.

The Company hosts mainly tourists from abroad (over 95% of all guests) with dominant participations of guests from France (47.5%), the United Kingdom (5.0%), Bulgaria (4.8%), Sweden (4.0%) and Germany (3.8%).



SALE

Shares on sale: **182,440 (92.49% of share capital)**

Average price on stock market – **non-listed company**

FINANCIAL DATA¹ (in EUR:)

Year	2011	2012	2013
Operating revenues	2,787,164	3,137,332	3,259,730
Operating expenses	2,605,637	2,760,905	3,332,564
EBIT	181,527	376,426	(72,834)
EBITDA	417,488	606,116	639,703
Net income	(1,847,643)	(1,418,979)	9,384,795
Total assets	25,758,348	25,995,902	23,826,346
Total liabilities	25,037,331	26,695,316	6,188,288

¹ During 2013 the pre-bankruptcy settlement agreement for Hoteli Plat Plc. was concluded before the Commercial Court, which positively affected the financial reports for 2013.

REAL ESTATE PORTFOLIO

The Company has operating and non-operating facilities.

OPERATING FACILITIES:

Orphee Hotel (*)**: 4 levels, 85 accommodation units, size 3,871 m², built in 1968, renovated in 1999/2000,

Villas: 6 three-star villas, in range of three to five levels of total size 7,817 m², 151 accommodation units (4 villas renovated in 1999/2000, 2 villas renovated in 2006/2007).

Additional facilities: Tavern, pool bar, aperitif bar, bistro, souvenir shop and hairdresser's salon.

NON-OPERATING FACILITIES:

Ambassador Hotel: 9 levels, 302 accommodation units, size 12,000 m², built in 1972,

Two Pavilions: 118 accommodation units, built in the period from 1963 to 1970,

Sports and recreation facilities: outdoor swimming pool and swimming pool for children (520 m²) and two tennis courts (1,109 m²).



AREA:

Total facility area: 36,052 m²,

Net land area: 77,698 m².

DUBROVNIK-NERETVA COUNTY

Population (2011): **122,568**

GDP per capita (2011): **9,807 EUR**

Unemployment rate (2013): **20.5%**

Average gross salary: **994 EUR**

Average gross salary in the sector (tourism): **984 EUR**

Dubrovnik-Neretva County comprises of 5 cities and 17 municipalities. The County includes smaller islands covered in thick Mediterranean vegetation and forests, smaller settlements and agricultural land (olive groves and vineyards).

The main characteristic of the County's economy is the predominance of tertiary sector with tourism and hospitality industries and maritime shipping as main activities. The region also has significant agricultural potential in the area of the Neretva River Delta Valley and in the Pelješac Peninsula known for the active production of high quality wines.

The County is very well connected by Dubrovnik International Airport, with close proximity to the modern A1 Zagreb-Split-Dubrovnik Highway, the deep sea port of Dubrovnik suitable for cruisers as well as an important cargo port Ploče (gateway of the future Pan-European transportation corridor Vc).

Dubrovnik's famous medieval old town (listed on UNESCO's world heritage list since 1979) along with the island of Korčula has positioned Dubrovnik and the County as a high-end European and global tourist destination (New York Times shortlisted Dubrovnik among 45 places to visit in 2012, USA Today placed Dubrovnik at the 4th place of prettiest European cities in November 2013).

Through investments in new and existing hotels, sports and infrastructure capacities and their constant development, tourism has become an industry of great strategic importance for the County, currently with 14 five-star hotels and 15 four-star hotels.

The potential for high-end tourism has already been identified by international hotel chains (Hilton, Radisson Blu, Rixos, Uzel Holding, Adriatic Luxury Hotels and Luksic Group) present in Dubrovnik area. Amanresort and Sheraton also plan to open their hotels in Cavtat and Srebreno.

The educational infrastructure relevant to the sector includes high schools for hospitality and catering, and two universities with excellent programs related to tourism (RIT Croatia - division of Rochester Institute of Technology, New York and Dubrovnik University).

CONTACTS

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Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr



REPUBLIC OF CROATIA

IMPERIAL Plc., Rab

TRANSACTION

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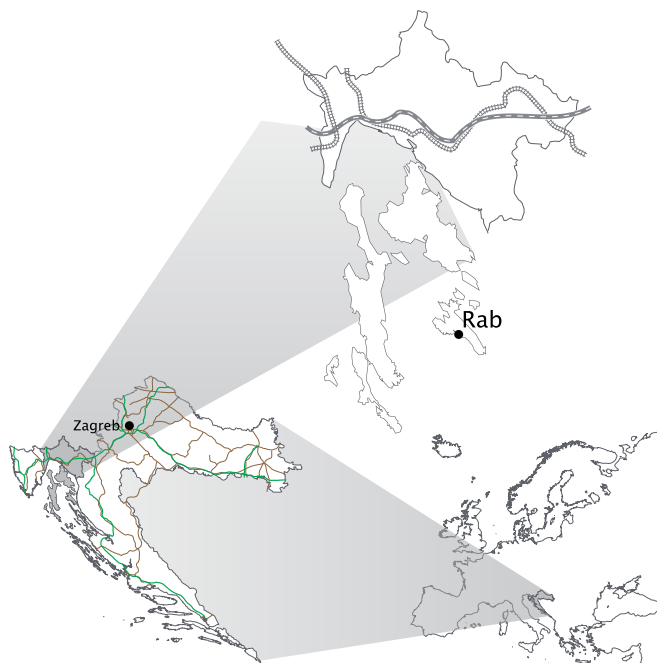
After submitting a formal letter of intent, receiving a bid invitation and signing the NDA, the potential investor could participate in due diligence procedure. Upon bid submission, the best bidder will be selected based on tender criteria.

COMPANY

Imperial Plc. is the main hotel company on the island of Rab. It has been operating for almost 50 years. The Company is firmly positioned as the leader in the hotel business on the island. Its diverse real estate portfolio enables it to have a broad spectrum of goals for strategic development. Moreover, the Company has made significant investments to upgrade its service and value.

The group is comprised of four hotels, two tourist resorts, two auto camps, as well as several restaurants and smaller catering and other facilities. All units are quite near the beach and the beautiful Old City of Rab. One of the most beautiful beaches in the Adriatic, the "Paradise Beach" is also located nearby. Moreover, the Company's site benefits from Rab's rich horticultural heritage ideally positioned for health tourism and active holidays.

The guests are predominantly from abroad (more than 90% in the last three years), mostly European countries (Germany, Austria, Slovenia, The Czech Republic, Italy and Hungary).



SALE

Shares on sale: **318,425 (50.08% of share capital)**
Average price on stock market: **65.96 EUR (18.12.2014)**

FINANCIAL DATA (in EUR:)

Year	2011	2012	2013
Operating revenues	14,573,771	15,737,857	15,917,511
Operating expenses	12,757,365	13,874,961	13,132,262
EBIT	1,816,406	1,862,896	2,785,249
EBITDA	4,679,375	5,022,413	6,024,777
Net income	346,892	793,404	1,521,600
Total assets	64,046,280	65,979,523	65,201,355
Total liabilities	24,906,448	26,243,053	24,491,670
Number of employees	260	256	248

REAL ESTATE PORTFOLIO

HOTELS:

Grand Hotel Imperial (**):** 5 levels, 136 accommodation units, built in 1914, renovated in 2010,

Carolina Hotel (**):** 5 levels, 142 accommodation units, built in 1971, renovated in 2009,

Padova Hotel (*):** 6 levels, 175 accommodation units, built in 1986, renovated in 2009,

Eva Hotel ():** 5 levels, 196 accommodation units, built in 1978.

VILLAS:

Carolina Villas: 10 villas, 38 accommodation units, built in 1971, renovated in 2002.

TOURIST RESORTS:

San Marino: 495 accommodation units, comprised of 5 hotels (3 to 5 levels) situated on the famous "Paradise Beach", built in 1967, renovated in period 2004-2012,

Suha Punta; small detached houses and bungalows with 88 accommodation units, built 1962-1968, renovated 2009-2012.

AUTO CAMPS:

2 auto camps (AC San Marino and AC Padova III) with a total of 5,000 available places.

CONVENTION CENTRE:

There are congress facilities in the Padova, Grand Hotel



Imperial and Carolina Hotels. Additionally, there is a new congress centre in the tourist settlement San Marino with 120 seats.

SPORTS AND RECREATION FACILITIES:

19 tennis courts, three wellness centres, sports centres.

AREA:

Total facility area: 98,620 m²,

Net land area: 254,045 m².

PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2011): **12,724 EUR**

Unemployment rate (2013): **17%**

Average gross salary: **1,008 EUR**

Average gross salary in the sector (tourism): **868 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the North and the Adriatic in the South. Its geography comprises woodland mountains, seashore and islands. Primorje-Gorski Kotar County is the birthplace of Croatian tourism. A holiday destination for Habsburg emperors, it is proud of the towns of Opatija and Lovran that have offered high-end and health tourism for more than a century now.

The County's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of specialised tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The County is also especially attractive for nautical tourism. There are 10 marinas with a total of 3,143 berths. The County is well-connected with continental Croatia as well as the neighbouring countries. Rijeka is a major ferry port with regular connections to islands and the South of the Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, Ljubljana).

CONTACTS

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STATE-OWNED PORTFOLIO

INFRASTRUCTURE PROJECTS

Eco Marine Tučepi

Gate of Zadar

Osijek Airport

Port of Dubrovnik

Port of Ploče

Sports Center Višnjik

Rijeka Airport

Western Žabica Complex



ECO MARINE TUČEPI, Tučepi

PROJECT GOAL

In order to enhance the nautical tourism offer, increase the number of berths, and improve the marine Tučepi infrastructure in an environmentally responsible manner, the Tučepi Municipality and Split–Dalmatia County are searching for prospective investors for the Eco Marine Tučepi project development.

The main purpose of the eco marine concept is to establish conditions for nautical tourism development and optimization of tourist traffic through the implementation of comprehensive ecological solutions that help advance the development of tourism.

PROJECT DESCRIPTION

According to the spatial planning documents in force, the project envisages the construction of 80 new nautical berths and the modernization of 25 existing berths in accordance with ecological standards.

In order to increase total revenues and the project competitiveness, the project includes the development of additional facilities and services to meet the demands of boaters (kitchen, minor repairs service, sailing courses, diving courses, fitness centers, entertainment facilities, etc.)

Additionally, the project includes developing ecological tourism infrastructure within the marine as well as creating conditions for the development of eco-nautical tourism.



LOCATION

The project is located in a small tourist town Tučepi on the Makarska Riviera (central Dalmatia). The name of the town, which can be traced to its Illyrian origins, is a witness of its long history which goes back 4000 years. Today, Tučepi spreads along the coast of the Adriatic Sea with its modern buildings, private villas, guesthouses and hotels and is a famous and reputable tourist destination.

It is distinguished by the most beautiful and longest gravel beach on the Makarska Riviera while the mountain Biokovo surrounds it from the North. According to the 2011 Census, the Tučepi Municipality has 1,931 inhabitants. Tučepi has excellent road and sea connections to the whole Europe with the distance of only 80 km to Split Airport and 22 km to the Zagreb–Split–Dubrovnik Highway.

ESTIMATED VALUE

The total project value is estimated at 5.5 million EUR.

TRANSACTION MODEL

Given that the project is planned to be developed on a maritime domain, it will be necessary to obtain a concession for maritime domain after the announcement of a public tender for project development.

CURRENT STATUS

The project documentation (Conceptual maritime solution for the expansion of the Tučepi port, Report on wind-wave climate and wave modelling to the Tučepi port expansion and Conceptual Design) is completed. Research activities for the Environmental Impact Assessment Study and geotechnical investigations for the purposes of the Main Design are in progress.



SPLIT-DALMATIA COUNTY

Population (2011): **454,798**

GDP per capita (2011): **8,072 EUR**

Unemployment rate (2013): **27.9%**

Average gross salary: **961 EUR**

Average gross salary in the sector (tourism): **878 EUR**

Split-Dalmatia County encompasses the territory of the historical region of Dalmatia, and is easily accessible via the Zagreb-Split-Dubrovnik Highway and Split International Airport. The most important economic activity is tourism. In 2013, the County achieved 2.0 million tourist arrivals and approx. 11.5 million overnight stays (increase of 9% in comparison to the previous year), which makes 17.7% of total overnight stays in 2013 in Croatia. Traditionally, the most important markets are The Czech Republic, Germany and Poland.

There is a total of 128 hotels (3 five-star and 49 four-star hotels, while the remaining 74 are three- or two-star). In addition to hotels, accommodation is provided in apart-hotels, tourist resorts, tourist apartments and auto camps. The

overall accommodation capacity provided is approximately 150,000 beds with the highest participation of private accommodation (nearly 80%). There are 10 marinas (4 on islands and 6 on the mainland) with a total of 1,628 berths.

The present international hotel chains in Split include the Le Meridien Lav and the Radisson Blu.

The County's tourist potential includes: a rich heritage and cultural offer, catholic pilgrimage destinations, active and sports holidays and health tourism. There are UNESCO heritage sites in Split (Diocletian Palace) and Trogir; catholic pilgrimage destinations (Sinj, Vepric and the vicinity to famous Međugorje); rafting on the River Cetina in the Omiš area, and hiking, walking and cycling paths on mountains Marjan and Biokovo.

CONTACT

Tučepi Municipality, www.tucepi.hr

Mr Ante Čobrnič, Municipal Mayor

e-mail: opcina@tucepi.hr, tel: +385 21 623 585



REPUBLIC OF CROATIA

THE GATE OF ZADAR, City of Zadar

PROJECT LOCATION AND DESCRIPTION

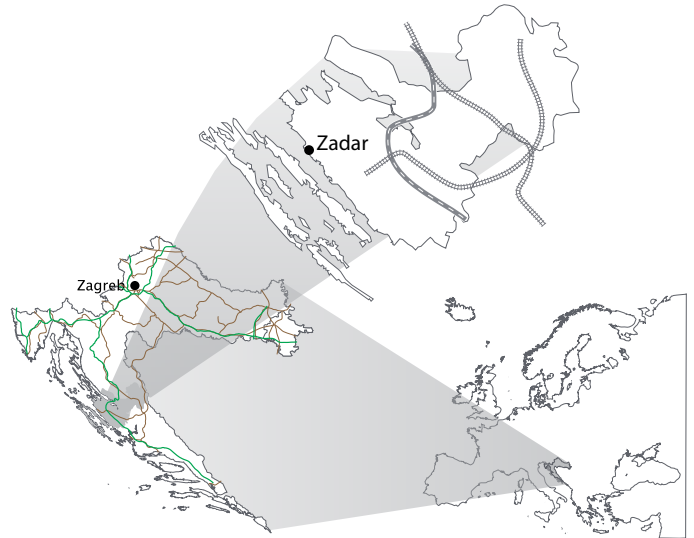
The Gate of Zadar project is located in Zadar County, in the northern part of Dalmatia.

The project holder is the City of Zadar, whose plan is to revitalize and urbanize the contact zone between the historical centre and the new part of Zadar, known as a wider area of Ravnice. Currently, on the land within the project, there are a few obsolete cultural and sports facilities, an old fortification, a small harbour and two channels.

Some of the existing objects with the historical value are envisaged to be rebuilt but the largest part of the project area is planned for the construction of the new infrastructure and commercial facilities that will transform the area into a modern urban centre with a cultural, commercial, entertainment and tourist (hotels) content, sports and recreational area.

The total area covers 30.1 hectares, of which 18.9 hectares are land area and 11.2 hectares are sea area.

The Project is in accordance with the City of Zadar Physical Plan, which envisages the adoption of the Urban Development Plan for the location of the project.



TRANSACTION STRUCTURE

The project land is owned by the City of Zadar and the Republic of Croatia. Upon the selection of a strategic partner, in accordance with the Act on Strategic Investment Projects of the Republic of Croatia, the City of Zadar plans to submit the documentation for the status of the project of strategic importance. This status would ensure resolving of ownership issues for the land in the scope of the project, accelerate procedures for obtaining necessary permits and approvals, as well as enable development of the Project without the adoption of the Urban Development Plan.

The transaction model for the land designated for the

construction of commercial and other facilities would be based on the right to build granted for up to 99 years.

Depending on the interest, the future strategic partner could participate in the development of the whole project or just in the development of commercial facilities.

The City of Zadar has started the investments in the infrastructure (construction and horticulture works in the Vladimir Nazor Park and purchasing of the GIS system) mostly financed by the EU through IPA Funds, and has already submitted applications for additional financing through the EU funds.

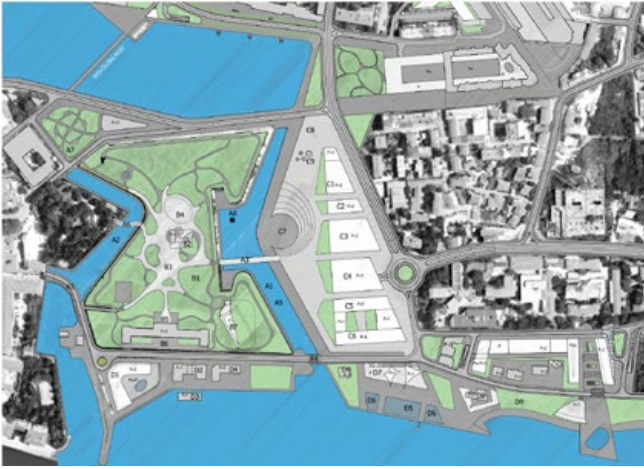
ESTIMATED VALUE

The total estimated value of the project is approximately 110.8 million EUR.

PLANNED FACILITIES

AREA		AREA	
HOTEL CONDOMINIUM	20,170 / 1,430 m ^{2**}	CENTER FOR MUSIC AND PERFORMING ARTS	2,730 / 720 m ^{2**}
THE TRIPLE HOTEL ENSEMBLE OF THE ELEKTRA	8,000 m ²	THE MUSEUM OF ZADAR BASKETBALL	1,000 m ²
CATERING, ENTERTAINMENT, TRADE, SERVICES	7,600 / 2,460 m ^{2**}	THE KOLOVARE SWIMMING POOL	7,500 m ²
ANCILLARY COMMERCIAL FACILITIES	1,660 m ²	THE RAVNICE GARAGE (0)	930 PG
CONCERT & CONGRESS HALL	4,560 / 520 m ^{2**}	THE RAVNICE GARAGE (+3)	420 PG
TOURIST INFORMATION AND COMMERCIAL CENTER	3,750 / 3,240 m ^{2**}	THE RAVNICE GARAGE (-3)*	975 PG*
THEATER AND ASSOCIATED SERVICE AREA	3,660 m ²	TOTAL GARAGE	2,325 PG*

*in case of planned construction of level -3m / **indoor/outdoor



ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2011): **8,302 EUR**

Unemployment rate (2013): **22.5%**

Average gross monthly salary: **958 EUR**

Average gross monthly salary in the sector (tourism): **952 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area of 7,487 km² consists of both sea and land. It is well connected via road, sea and air, i.e. the Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 27% growth in the number of passengers in 2013/2012.

The County's most important sectors are trade (30%); manufacturing industry (19%) – food industry, metal production, production of vessels, textile industry; transport and storage (13%); fishery and agriculture (8%), construction (8%) and tourism (7%). The main export markets are Japan (21%), Italy (19%), Slovenia (9.5%) and Germany (9.4%) while the most exported products are aluminium products (43.7%), fish – fresh and processed (34.7%) and machinery (7.9%).

With tourism gaining a more prominent role in the County's economic structure, there is an emphasis on extending local accommodation capacities. They amount to 36,086 accommodation units, with a majority (59%) in private

accommodation. Almost half of the capacities in hotels are classified as a 4-star category. There are also 6 marinas with a total of 1,818 berths. As a successful tourist region in Dalmatia, Zadar County recorded 6.7 million overnight stays in 2013 (10.4% of all overnight stays in Croatia), most of these (89%) by foreign guests.

The centrepiece of the County's rich tourist offer is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of them are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the County's tourist offer. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and the famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

Zadar is also an ancient European university city with a tradition since 1396. It offers 24 academic departments, such as: Agriculture and Mediterranean Aquaculture, Economics, Traffic and Maritime Studies, English, German, Italian and French Studies, Tourism and Communication Sciences Department and Humanities Department, with approximately 5,800 undergraduate, graduate, postgraduate and doctoral students.

CONTACT

City of Zadar, www.grad-zadar.hr

Mr. Darko Kasap, Head of Administrative Department of Spatial Planning and Civil Engineering

e-mail: darko.kasap@grad-zadar.hr



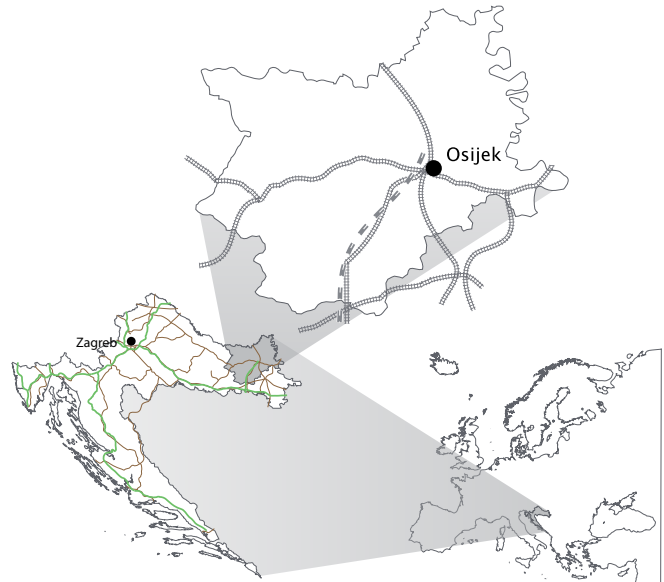
OSIJEK AIRPORT Ltd.

PROJECT DESCRIPTION

The future concessionaire / strategic partner would be expected to participate in modernisation of existing, construction of new capacities and acquisition of equipment for its commercial operations. The overall aim of the project is to strengthen cargo traffic in the Osijek - Baranja County and to foster economic development in the region by improving the competitiveness of the airport.

CURRENT CHARACTERISTICS OF THE AIRPORT

- Runway characteristic: length: 2,500 m; width: 45 m
- Orientation: 111/291 (11/29)
- Strength: PCN 70 F/A/W/T
- Types of traffic permitted: IFR/VFR
- ATS communication facilities APP 118.800 MHz
- Croatia Control Ltd APP 120.150 MHz TWR 118.800 MHz
- Turnaround: 25– 30 minutes
- Passengers handling: DCS, manual check-in
- Fire fighting category: CAT IV on request up to CAT VII
- No slot coordination
- New parking lot (297 available parking spaces)



TRANSACTION STRUCTURE

The Transaction currently envisages three options and shall be open to all strategic investors who are adequately positioned to further exploit growth potential of the Company.

- **Option one: recapitalization**
- **Option two: repurchase of existing stockholders**
- **Option three: (concession with the features of the project public-private partnership or concession contract)**

Concession is defined by Airports Act. Concession for the airports is considered concession of public works, concession for public services. Concession for airport is given for a maximum term of 40 years.

The most acceptable way of entry of private capital in Osijek Airport is through recapitalization or concession. Recapitalization is the fastest and cheapest, but airport is of special interest for the Eastern region and we believe that is the best option to give Osijek Airport in concession.

INVESTMENT OPPORTUNITY

The region served by Osijek Airport is of agricultural character, which could influence on the repositioning of the airport and focusing primarily on cargo traffic. Cargo terminal is located on the area size of 1,500 m² and separated on three parts: truck disposition, direct access to the apron for trucks and coolers.

Except for cargo and warehouse facilities Osijek Airport has a plan to invest in the passenger building, and to

separate domestic and foreign passengers. Departing gate is the priority to keep the status of international airport and increase safety of traffic, passengers and goods in the near future.

Passenger terminal area is 1,500 m²; capacity of 200 – 400 pax per hour; easy understanding for passengers; simple terminal development solutions – expanding or upgrading; possibility for extension based on the volume increase.

SHORT MARKET ANALYSIS

A strong increase in number of operations and number of passengers in period 2008 - 2011 is closely related to introduction of new operators on the market. Germanwings signed a contract and introduced a new route Köln – Osijek – Osijek – Köln. In 2009 a new operator came on the Osijek market, the management has signed a 5 year contract with Ryan Air

for several new routes, which influenced on a 40% growth of passenger movement related to 2008. In 2012 RyanAir has terminated the existing contract due to the lack of subsidies which resulted with a strong decline of passenger movement. However the contract was re-signed on April 1, 2014 for a period of three years.

Year	Number	Tons	Passengers	Cargo (t)
2002	673	2,246	3,132	-
2003	720	1,868	3,354	-
2004	708	3,607	3,030	356
2005	695	17,315	2,343	3,830
2006	649	4,369	2,871	515
2007	550	3,538	2,766	271
2008	774	7,124	14,685	173
2009	855	7,960	20,438	188
2010	792	6,845	20,824	-
2011	1,582	6,956	22,104	-
2012	1,636	1,848	2,195	-
2013	1,255	3,474	3,489	-

The main airline operators on Osijek Airport are Croatia Airlines, Ryanair and Germanwings.

Using its strong market position in Osijek – Baranja County, the Company wants to strengthen its position **as a main cargo airport in the region.**

The Airport has the entire necessary infrastructure that provides cargo handling, fast trucks out to the apron for

the aircraft and all prerequisites for the rapid cargo aircraft handling.

Besides capitalizing its position on the home market, regional market presents strong growth platform where the Company has already initiated negotiations with foreign partners. For this reason, the Company has decided to refocus its core activity as a cargo carrier and has decided to find a strategic partner for new investments.

CONTACTS

Ministry of Maritime Affairs, Transport and Infrastructure of the Republic of Croatia,
Mr Siniša Hajdaš Dončić, Minister, e-mail: ministar@mppi.hr
Mr Krešimir Rendeli, Adviser to the Minister, e-mail: kresimir.rendeli@mppi.hr

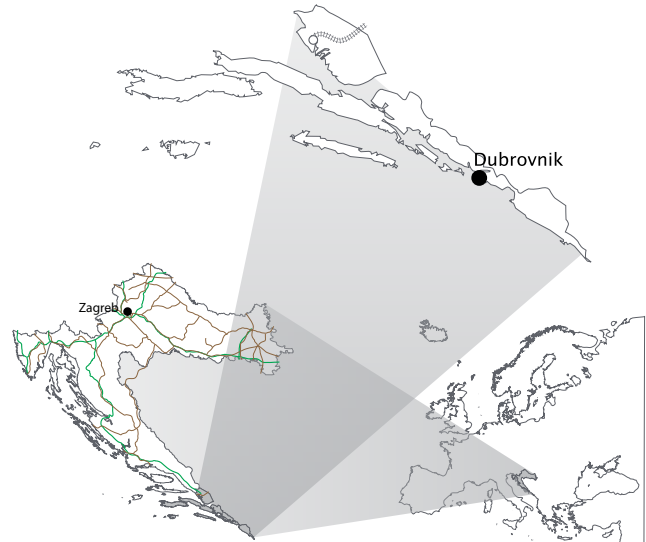


PORT OF DUBROVNIK

New Cruise Terminal, Shopping Mall and Bus Terminal project

PROJECT DESCRIPTION

- The Port area has a unique position in a close vicinity of Dubrovnik, suitable for development of various facilities related to port passenger traffic and tourists.
- The purpose of a new terminal is to provide services for embarking and disembarking cruise tourists-excursionists from the port of Gruž as well as passengers in domestic and international coastal and ferry transport with all necessary facilities which provide fast, high-quality and cost-effective passenger flow.
- Since it is the only larger by surface / remaining quality space and infrastructural-wise relatively well-equipped space in narrower Dubrovnik area, it is also planned to develop shopping facilities, catering facilities, sports and recreational facilities, a multipurpose hall, a three-level garage with approximately 450 parking spaces and a parking lot for buses with approximately 50 parking spaces.
- **Total gross building area of the port is separated in several zones totalling 120,000 m².**
- The essential element in this development concept is the development of the port facilities.



TRANSACTION STRUCTURE

The future concessionaire / strategic partner would be expected to participate in the investment of the **“New Cruise Terminal, Shopping Mall and Bus Terminal project”** for its commercial operations and to develop, if deemed necessary, further development phases of the port.

The total concessionaire’s or strategic partner’s investment is estimated at EUR 40 million.

The project could be done in several phases, depending on the investor’s preferences.

The basic task for years 2014 and 2015 is to find a partner – concessioner by international tender procurement who will, based on long-term concession agreement, develop port superstructure and bring new services into the port.

INVESTMENT OPPORTUNITY

The priority of the PDA in the upcoming period is to find a concessioner for the construction of superstructure objects and to mutually develop new services and facilities for ships, passengers and the local community.

Due to the expected increase in passenger and cruise traffic the PDA is looking for a concessionaire/strategic partner to participate in the construction of new adequate capacities for modern Port terminals.

After the completion of the construction, development and full equipment, the final purpose of the marine terminal at the port of Gruž is to become the **main passenger, shopping and transport facility** in Dubrovnik which will be able to accommodate approximately **12,000 passengers**, customers, service users etc. per day.



DESCRIPTION OF THE PORT OF DUBROVNIK

The Port of Dubrovnik is a passenger port with great dominance of cruise passengers due to tourist attraction of Dubrovnik and the nearby region.

Tourism and specifically sea cruise tourism are one of the fastest growing industries in the world. Dubrovnik is a famous tourist and cruise destination with a great development potential.

The Port of Dubrovnik mostly serves as a cruise port of call receiving in **2013** more than **500 ships** and **942,909 cruise**

passengers, but has a real opportunity to become a home port for vessels of certain size.

The Port itself has many advantages, tourist attraction of the City of Dubrovnik, the vicinity to tourist attraction, water depth and an easy approach from the open sea, a good shelter from adverse weather conditions and a geographic position at the ideal distance to one of the biggest world cruise "home port" destinations – Venice. In cruise industry Dubrovnik can offer the port of call with all facilities.

CONTACTS

Ministry of Maritime Affairs, Transport and Infrastructure of the Republic of Croatia,

Mr Siniša Hajdaš Dončić, Minister, e-mail: ministar@mppi.hr

Mr Krešimir Rendeli, Adviser to the Minister, e-mail: kresimir.rendeli@mppi.hr

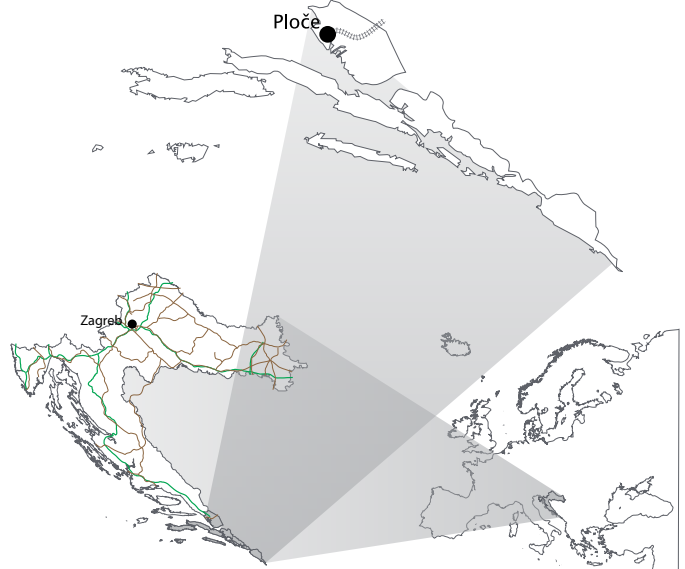


PORT OF PLOČE

Intensive development activities

THE PORT WHICH WILL SOON DOUBLE ITS CAPACITY

- Currently the port capacities and port infrastructure are at the annual level of 5.5 million tons of various cargo (general, containers, dry bulk cargo, liquid cargo like gasoil, gasoline, vegetable oil);
- The port is approaching the completion of the Trade and Transport Integration (TTI) development programme with a significant financial support of the Government of the Republic of Croatia and the World Bank loan into the port infrastructure of sophisticated port terminals. The first phase of the Container terminal (capacity of 60.000 TEU) is already completed and the terminal is in operation from 2011. The new Dry Bulk Cargo Terminal (annual capacity of the first phase is 4.6 million tons) is under the development and it will start with operations on Capesize vessels until the end of 2016. The Entrance Terminal with parking areas, administrative building and control station will be completed in 2015 and it will be linked to the Croatian Highway A1 (Ploče-Zagreb) and to the future highway through Bosnia and Herzegovina (alongside the route Ploče-Sarajevo-Budapest).
- The Port Authority has already signed long-term concession agreements for the investment and operationalization of the existing port capacities and the terminals which belongs to TTI Project with Luka Ploče Plc on the basis of a public-private partnership. Total investment of TTI Project (infrastructure and superstructure) is more than 170 million EUR.
- Beside TTI Project, there are other greenfield investments of various concessionaires (new Terminal for liquid cargoes, LPG Terminal, biodiesel plant) in the port. The value of the mentioned investments is over 70 million EUR.
- After the completion of the mentioned development projects, the port capacities will enable the annual port traffic of more than 10 million tons.



TRANSACTION STRUCTURE

The potential port users can use available infrastructure and superstructure, and build new facilities according to the concession rights which are granted for a term of up to 99 years.

TWO POSSIBLE WAYS OF TRANSACTION:

1. Port of Ploče as the hub port for goods – usage of existing port capacities and capacities under development
2. Concession to investors for future investments in the port area as there is more than 50 hectares free for future development.

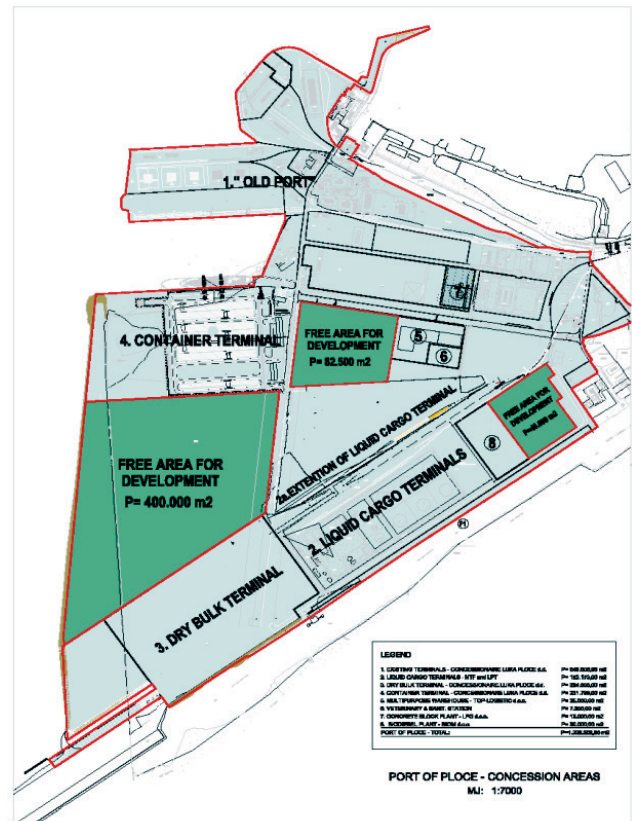
INVESTMENT OPPORTUNITY

The Ploče Port Authority started with the “Trade and Transport Integration” development programme aiming at increasing the port capacities, improving the port efficiency and the quality of port services and thus resulting with better competitiveness of the port and the whole transport chain which passes through this port.

The port is open to all investors from all over the world who recognize the attractiveness of the port of Ploče location and its advantages.

It is a port of special international significance for Croatia; however, due to its position, it is also of an exceptional importance for the economy of Bosnia and Herzegovina. The border with Bosnia and Herzegovina is only 25 km far from the port of Ploče and therefore more than 80% of the port traffic refers to the foreign trade of Bosnia and Herzegovina.

The geo-strategic location of the port and the fact that it is a seaport of the branch C of the Fifth European Transport Corridor (“Vc”) enable smooth and efficient transit of goods to/from Bosnia and Herzegovina, parts of Serbia, Croatia, Hungary and Slovakia, as well as the existence of the opportunity of transshipment to/from Italian ports. The main gate of the port of Ploče will be connected to the Croatian A1 Zagreb – Split – Ploče Highway and to the future highway at the Fifth Transport Corridor Vc (Ploče-Sarajevo-Budapest). **The port area covers more than 230 hectares, out of which 50 hectares are still undeveloped and ready for the concession.** The port of Ploče is an EU seaport, but



it is important to stress that almost the whole area has the regime of free (customs) zone where the special incentives and treatment may be applied especially to “non-EU” goods.

DESCRIPTION OF THE PORT OF PLOČE

The Port of Ploče is the second largest Croatian port in terms of annual cargo volumes. The basic precondition for a successful functionality of the whole port system is the optimization of the integration and coordination of all entities and factors which directly or indirectly participate in the production of the port and the entire transport service. The Port of Ploče is of an international economic importance for the Republic of Croatia.

By the decision of the Government of the Republic of Croatia, the port area is managed by the Ploče Port

Authority as a non-profit institution, the responsibility of which, in addition to the port basin in Ploče, extends also to the basin of the Metković river port, which is located 24 km to the north-east of Ploče.

The main goal of the Ploče Port Authority is the transformation of the port from a traditional port into the regional center of logistics where various distribution and value added services would be carried out on the goods which transit the port.

CONTACTS

Ministry of Maritime Affairs, Transport and Infrastructure of the Republic of Croatia,
 Mr Siniša Hajdaš Dončić, Minister, e-mail: ministar@mppi.hr
 Mr Krešimir Rendeli, Adviser to the Minister, e-mail: kresimir.rendeli@mppi.hr

Ploče Port Authority, Ms Deša Rathman, Executive director, e-mail: desa.rathman@ppa.hr



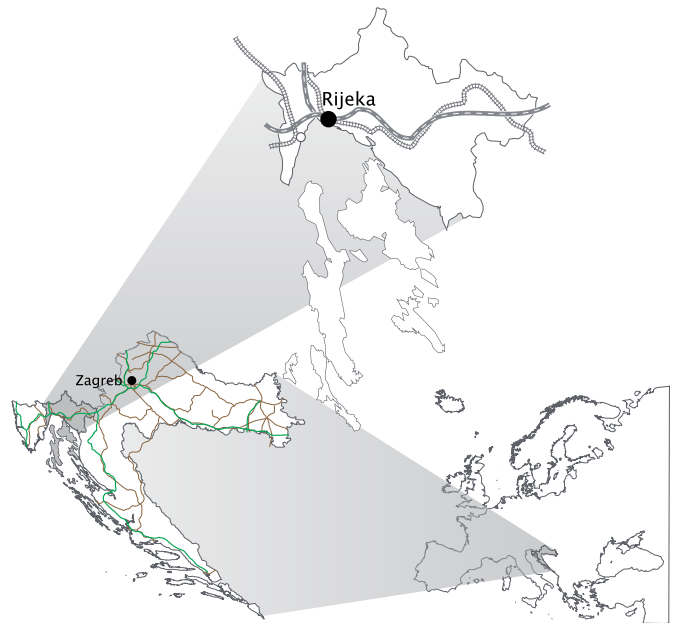
RIJEKA AIRPORT Ltd.

Reconstruction, modernization and development of Rijeka Airport

PROJECT DESCRIPTION

THE PROJECT INCLUDES:

- Reconstruction and expansion of the passenger building – the existing building does not satisfy traffic growth projections nor current passenger flow demands at peak levels. The reconstruction will add approx. 4,600 m² at three levels. This will increase the building's capacity three times (up to 2,000,000 passengers on an annual basis);
- Reconstruction and expansion of the aeroplane parking platform – the extension of the passenger building includes an expansion of the existing aeroplane parking platform;
- Construction of storage and manipulation facilities for management of goods transported via air – inclusion of the Airport Rijeka in the intermodal goods transport traffic – 5,000 m² taking into consideration the building criteria;
- Addition and reconstruction of the existing aeroplane taxiway – in accordance with international regulation, current taxiway's width does not comply with regulation for the corresponding aeroplanes. Moreover, the number of existing taxiways does not correspond to the predicted traffic capacity. The Project will include expansion of existing taxiways and construction of a new aeroplane taxiway.



TRANSACTION STRUCTURE

The Transaction currently envisages three options and shall be open to all strategic investors who are adequately positioned to further exploit growth potential of the Company.

- **Option one: recapitalization**
- **Option two: repurchase of existing stockholders**
- **Option three: (concession with the features of the project public-private partnership or concession contract)**

Concession is defined by Airports Act. Concession for the airports is considered concession of public works, concession for public services. Concession for airport is given for a maximum term of 40 years.

The most acceptable way of entry of private capital in Rijeka Airport is through recapitalization or concession. Recapitalization is the fastest and cheapest, but airport is of special interest for the Croatia mediteran coastal tourist region.

INVESTMENT OPPORTUNITY



Investment opportunity in case of Rijeka Airport lies in its unique and potentially very lucrative position in Croatia, Adriatic and Europe. Since the fact that Rijeka Airport Ltd. as a state owned Company is located on the area of Primorsko – Goranska County, by investing in it, every future investor will certainly benefit from strategic connections based on:

- Fast access to Central and Eastern Europe as well as other EU countries,
- Well-developed infrastructure,
- Well-developed business zones network and infrastructure,
- Outstanding service of logistics sector,
- Trained and educated workforce,
- Steady economic environment,
- Well-developed network of small and medium suppliers.

CURRENT INFRASTRUCTURE AND CAPACITY

PASSENGER BUILDING TERMINAL CAPACITY:

- 1 passenger terminal,
- 1,000,000 passengers annually.

RUNWAY AREA:

- Length: 2,500 m ICAO CAT 4E
- Width: 45 ICAO CAT 4E,
- Orientation: 04/32,
- Strip dimensions: 2,620 x 150 m,

- Instrument equipment: ICAO CAT I,
- VASIS 3°, IL.

APRON PHYSICAL CHARACTERISTICS:

- Dimensions: 300 x 112 m,
- Parking places: 14,
- General aviation parking,
- Strength: PCN 45 F/R/A/X/T,
- Surface: ASPH.

CONTACTS

Ministry of Maritime Affairs, Transport and Infrastructure of the Republic of Croatia,

Mr Siniša Hajdaš Dončić, Minister, e-mail: ministar@mppi.hr

Mr Krešimir Rendeli, Adviser to the Minister, e-mail: kresimir.rendeli@mppi.hr



SPORTS CENTRE “VIŠNJK”, City of Zadar

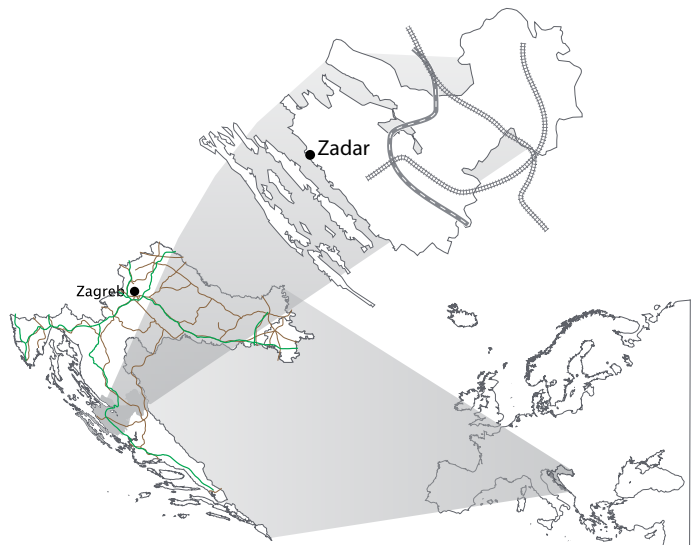
PROJECT LOCATION AND DESCRIPTION

The project is located in the City of Zadar, northern Dalmatia (Zadar County) with a goal of further development of sports tourism in the City of Zadar. It includes the construction of the accommodation and additional sports facilities at the existing sports centre Višnjik covering 202,000 m².

There are already several facilities at the centre: a multipurpose central sports hall “Krešimir Ćosić” with 8,000 seats; 4 auxiliary halls and gyms, each with 1,000 seats, intended for sports, music and other events; an indoor swimming pool complex (a large, small and children’s swimming pool as well as a diving tower); a press salon and a VIP salon.

The Project includes the construction of several new objects:

- Sports hotel****, with 120 rooms (gross area of 16,560 m²)
- Sponsor’s house with business offices and commercial capacities (19,200 m² of gross area)
- Tennis centre on a total land area of 8,200 m²
- Outdoor swimming pool complex with an Olympic-size pool, recreational pools, a pool for diving with a diving tower and a children’s pool.



With the realization of the new Project and construction of additional accommodation and sports capacities, the Sports Centre Višnjik will develop into a large centre offering sports and accommodation services to athletes, sports clubs and sports unions.

LAND OWNERSHIP

The project land is owned by the Republic of Croatia, while the City of Zadar has the Right to Build, granted in November 2007 for a period of 30 years. After that period, the bearer of the Right to Build will have a priority of the right to build or, in the case of sale, the right of first refusal for the new establishment.

TRANSACTION MODEL

The management company Sportski centar Višnjik Ltd., owned by the City of Zadar, is looking for a strategic partner for the project development. Each investor/strategic partner will have a possibility to develop a specific part or the whole project, either by himself or in cooperation with the management company.

Sportski centar Višnjik Ltd. is also preparing documentations for the application of the project for the EU Funds.

CURRENT PROJECT STATUS

The project is in accordance with the physical plans and the Sports-recreation centre Višnjik Urban Development Plan (UDP) which has been in force since 2001. There are plans to amend the UDP according to the needs of the future investors/partners.

The preliminary designs for the Tennis centre and Outdoor swimming pool complex have been completed and the preparation of documentation for the location permit is in progress. The commercial and accommodation facilities will be developed according to the amendments to the UDP.

ESTIMATED VALUE

The estimated value of the project is 100 million EUR.



ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2011): **8,302 EUR**

Unemployment rate (2013): **22.5%**

Average gross monthly salary: **958 EUR**

Average gross monthly salary in the sector (tourism): **952 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area of 7,487 km² consists of both sea and land. It is well connected via road, sea and air, i.e. the Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 27% growth in the number of passengers in 2013/2012.

The County's most important sectors are trade (30%); manufacturing industry (19%) – food industry, metal production, production of vessels, textile industry; transport and storage (13%); fishery and agriculture (8%), construction (8%) and tourism (7%). The main export markets are Japan (21%), Italy (19%), Slovenia (9.5%) and Germany (9.4%) while the most exported products are aluminium products (43.7%), fish – fresh and processed (34.7%) and machinery (7.9%).

With tourism gaining a more prominent role in the County's economic structure, there is an emphasis on extending local accommodation capacities. They amount to 36,086 accommodation units, with a majority (59%) in private

accommodation. Almost half of the capacities in hotels are classified as a 4-star category. There are also 6 marinas with a total of 1,818 berths. As a successful tourist region in Dalmatia, Zadar County recorded 6.7 million overnight stays in 2013 (10.4% of all overnight stays in Croatia), most of these (89%) by foreign guests.

The centrepiece of the County's rich tourist offer is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of them are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the County's tourist offer. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and the famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

Zadar is also an ancient European university city with a tradition since 1396. It offers 24 academic departments, such as: Agriculture and Mediterranean Aquaculture, Economics, Traffic and Maritime Studies, English, German, Italian and French Studies, Tourism and Communication Sciences Department and Humanities Department, with approximately 5,800 undergraduate, graduate, postgraduate and doctoral students.

CONTACT

Sportski centar Višnjik Ltd.
Mr. Denis Karlović, Director
e-mail: denis.karlovic@visnjik.hr



WESTERN ŽABICA COMPLEX, Rijeka

PROJECT DESCRIPTION

The Western Žabica Complex encompasses the construction of a new bus terminal in near vicinity of the old bus station.

In addition to the construction of a new bus terminal, the Project will include building of a public garage on 4 levels with 940 parking spaces, a shopping centre and business facilities.

THE PROJECT AIMS ARE:

- Modernization of buses' and passengers' handling service in intercity, national and international transportation and facilitating passenger's transition towards other transport means (trains, ferries), since the current bus station location does not provide safe handling of buses and passengers and does not comply with applicable laws and regulations;
- Enabling of a parking service to customers;
- Provision of additional parking/garage spaces in order to implement new traffic regulation of the City centre, whose main goal is improvement of the public transport;
- Providing other services to terminals and garage users (commercial, business and other services).

The Project does not offer a possibility of construction in phases, but there is a possibility to gradually put different parts in function.



LOCATION

The Project area is situated in the very centre of the City of Rijeka, and occupies the area of old railway warehouses. The total area of existing and future bus terminals covers 14,180 m². The location has an easy access to the City centre, the main City roads, the railway terminal and the seaport.

ESTIMATED VALUE

50 million EUR.

TRANSACTION MODEL

The owner of the project land is the City of Rijeka. There are several transaction possibilities: sale of land, right to build (lease) or other models according to a public – private partnership legislation.

PROJECT STATUS

The project documentation (preliminary, detailed and main designs) is completed. Location permit and building permits for the reconstruction of the access road and the whole Western Žabica Complex are obtained.

CAPACITIES

CURRENT CAPACITIES

- Number of bus stops: 14
- Current maximum capacity: up to 1.5 million passengers
- Other: passengers facilities covering approx. 200 m²



PLANNED CAPACITIES

- Number of international platforms: 18
- Maximum capacity: 2.2 million passengers
- One terminal with connections to railway and seaport terminals
- Administrative facilities: 8,000 m²
- Garage for buses with 15 parking slots
- Public garage with a capacity of 940 vehicles
- Shopping center covering 7,000 m²
- Commercial and business spaces: 5,100 m²



PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2011): **12,724 EUR**

Unemployment rate (2013): **17%**

Average gross monthly salary: **1,008 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the North and the Adriatic in the South. Its geography comprises woodland mountains, seashore and islands. Primorje-Gorski Kotar County is the birthplace of Croatian tourism. A holiday destination for Habsburg emperors, it is proud of the towns of Opatija and Lovran that have offered high-end and health tourism for more than a century now.

The County's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of specialised

tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The County is also especially attractive for nautical tourism. There are 10 marinas with a total of 3,143 berths. The County is well-connected with continental Croatia as well as the neighbouring countries. Rijeka is a major ferry port with regular connections to islands and the South of the Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, Ljubljana).

CONTACT

City of Rijeka

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Head of the City Administration Department for Development, Urban Planning, Environment and Land Management

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STATE-OWNED PORTFOLIO

ENERGY SECTOR PROJECTS

CCCGT Osijek 500

EL - TO Zagreb

HES Kosinj / Senj II

LNG Terminal

PROJECT

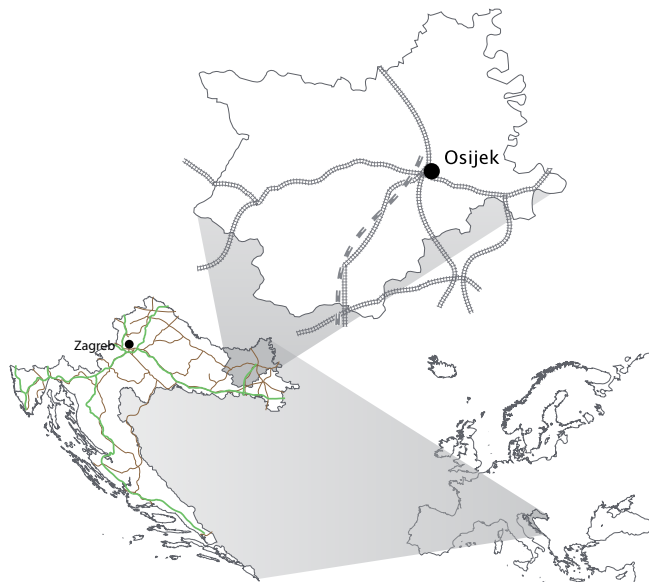
The Project includes brownfield investment and construction of new 500 MWe/160 MWt Combined Cycle Cogeneration Gas Turbine (CCCGT) in the City of Osijek. New plant will have high electrical efficiency of over 58% on average, high operational flexibility and load following capabilities. High electrical efficiency will enable cost competitiveness even outside heating season. Planned annual electricity generation is cca 3.3 TWh.

Estimated value of the investment is cca 350 million EUR.

Existing aged facilities for electricity and heat generation on the site will be replaced by the planned plant. Electricity will be delivered to the consumers on Croatian and regional markets. Heating energy will be delivered to the consumers in the City of Osijek.

Planned plant emissions will be in line with all legal requirements and EU Directives.

CCCGT Osijek 500 is in accordance with Energy Development Strategy of the Republic of Croatia as well as relevant spatial plans.



PROJECT STATUS

COMPLETED ACTIVITIES:

- ✓ Feasibility Study
- ✓ ESIA-Environmental Impact Assessment Study
- ✓ Basic design
- ✓ Location permit valid since September 2014
- ✓ Public Procurement procedure for EPC Turnkey published on 13th October, 2014.

CURRENT ACTIVITIES:

- ✓ Location permit for 400 kV OHL CCCGT Osijek-TS Ernestinovo is expected by the end of 2014
- ✓ 1st stage of Public Procurement procedure for EPC Turnkey, prequalified bidders selection is expected by the end of December 2014, 2nd stage preferred bidder selection is expected in June 2015, contracting and detailed design commencement is expected in August 2015

TRANSACTION

Business models under consideration: corporate financing

INVESTMENT OPPORTUNITY

Predicted new annual electricity production capacity of the power plant is around 3.3 TWh, depending on power-plants role within the power system regarding ancillary services and balancing energy for electrical and gas system, and also thermal energy market.

The total investment is approximately 350 million EUR.

PROJECT DESCRIPTION

- CCCGT Osijek 500 is energy project in accordance with Energy Development Strategy of the Republic of Croatia as well as Spatial Planning Programme of the Republic of Croatia. CCCGT Osijek 500, due to its characteristics, contributes to security of electricity supply, increase of reserves and stability of electric power system and development of energy market. Primary purpose of CCCGT Osijek 500 is electricity production for energy markets of Croatia, South East Europe region and European Union, as well as providing services to EPS. Its secondary purpose is production of thermal energy and industrial steam.
- Plants flexibility and dynamic stability should be in line with requirements of today's EPS. EPS requires fast, flexible and efficient power plants of sufficient capacity. The latter is especially significant due to increase of electricity production from power plants using renewable energy sources.
- The project should be based on the state-of-the-art technology, which attains and ensures competitiveness of the power plant as well as its minimum impact on environment.
- Location of CCCGT Osijek 500, set in City of Osijek is equipped with relevant infrastructure (waterway, road, railroad, public water supply and drainage, main gas pipeline) and ready for construction.

GAS SUPPLY

Estimated cost for gas connection is 1.1 million EUR.

Security of gas supply is guaranteed by good connectivity of gas transport system by interconnections with adjacent countries' gas transport systems and connections to main gas supply corridors.

ENVIRONMENTAL PROTECTION

In accordance with principles of sustainable development, the best available technology and natural gas as a fuel have been selected and the strictest criteria of environmental and nature protection in accordance with EU legislation have been applied, which ensures that this project contributes to the improvement of the environment.

Space for managing future carbon capture and storage requirements has been reserved within the power plant location.

With high flexibility (from 20% to 100% power in 15 min) this plant should be able to provide ancillary services for the power system.



CONTACTS

HEP Plc., Strategy and Corporate Development Department

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or

Center for Monitoring Business Activities in the Energy Sector and Investments, www.cei.hr, e-mail: cei@cei.hr

PROJECT

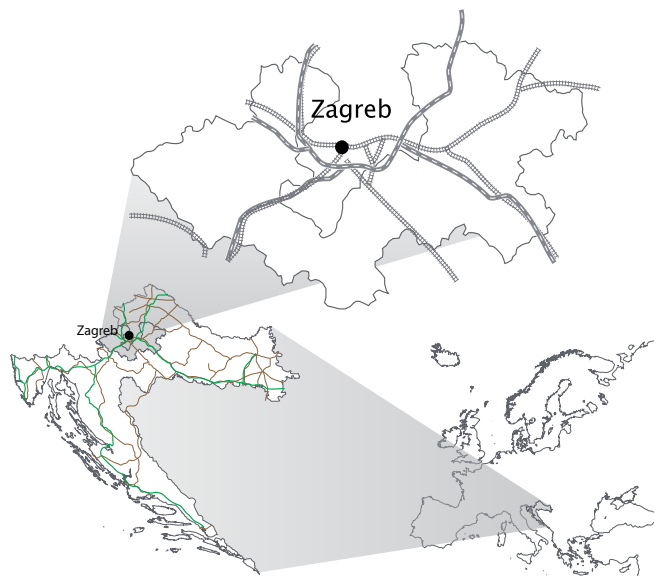
EL-TO Zagreb project includes replacement of old generating units on existing thermal power plant site in the City of Zagreb, with new, more efficient and environmentally more acceptable cogeneration unit of approximately 130 MWe / 70 MWt with possibility of 70 t/h of steam production. Estimated investment is about 130 million EUR. The plant design should be based on BAT with highest possible efficiency based on plant heat supply.

COMPLETED ACTIVITIES:

- ✓ Pre-Feasibility study
- ✓ Technical concept
- ✓ Preliminary grid connection analysis
- ✓ Conceptual design for new unit and building
- ✓ Positive outcome on spatial planning compliance from Ministry of Construction and Physical Planning
- ✓ Energy permit from Ministry of Economy
- ✓ Acceptance for ecological network from Ministry of Environmental and Nature Protection
- ✓ Location permit since 28th July, 2014
- ✓ ESIA-Environmental Impact Assessment Study
- ✓ Investment program

CURRENT ACTIVITIES:

- ✓ Pre- Tendering activities
 - Issuing documentation for infrastructure relocation
 - Issuing documentation for administrative building relocation
 - Issuing tender documentation for consultant services



TRANSACTION

Business models under consideration: corporate financing/ potential financial/strategic investors and partners to enter the project.

INVESTMENT OPPORTUNITY

Investment period is estimated to 4 year in total, while exploitation period is 25 years. Estimated investment is around 130 million EUR with annual distribution of 20%, 20%, 50% and 10% in last year of investment.

Investment analysis should be conducted with market prices and feed-in tariff for cogeneration, internal rate of return is 10,94 and 15,58 respectively based on the assumptions (input-data) from pre-feasibility study. Feed-in tariff support – to be confirmed.

It is estimated that capital share in investment cost would be 25%, while the rest of the funds would be provided by other sources.

PROJECT DESCRIPTION

- EL-TO Zagreb is a project in accordance with spatial and urban plans of City of Zagreb.
- It serves as one of the solution to meet the targets in Croatian Energy Strategy regarding development of district heating systems in major cities (300 MW of industrial cogeneration and central heating systems until 2020).
- Existing location in City of Zagreb with 90 MWe of installed capacity, 320 MJ/s of thermal installed capacity and steam generation of 146 t/h is specifically suitable for new unit.
- Existing unit A is built in 1969 and has 12.5 MWe and 70 MJ/s of installed capacity. It would be replaced with new unit that ensures lower environmental impact but also enables the level of flexibility in physical separation between electricity and heat production which characterises current technical system on location.
- Estimated annual generation of new unit is 825 GWh, while it also produces 289,000 t/a of steam and 465 GWh of thermal energy.
- The system/plant capacity and design should meet the highest environmental and efficiency demands.



CONTACTS

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PROJECT

Hydro energy system Kosinj/Senj II is a multipurpose project, a continuation and a second phase development of existing hydro power plant system on rivers Lika and Gacka. It encompasses the construction of Kosinj reservoir and Kosinj hydro power plant, reconstruction of Sklope hydro power plant and construction of new Senj II hydro power plant.

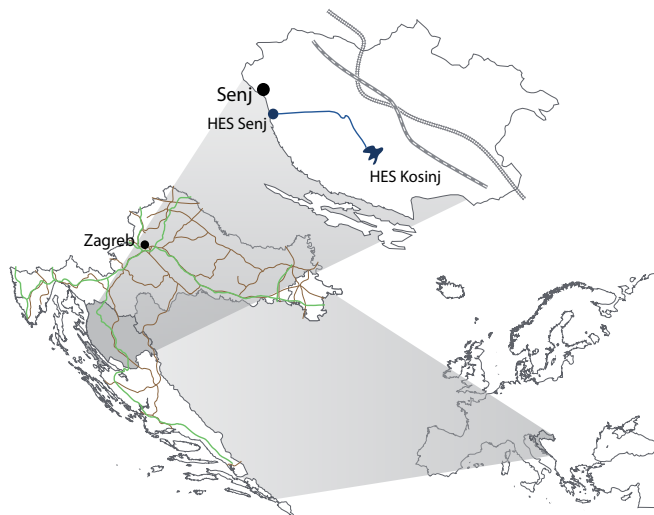
Next to more efficient usage of overspills in the water system, the project ensures water hazard protection for the region and also advanced water supply system for north Adriatic coastal area.

COMPLETED ACTIVITIES:

- ✓ Conceptual designs – need to be updated
- ✓ Main design for part of the project (tunnel, canal, compensation basin) – need to be updated
- ✓ Exploration works

CURRENT ACTIVITIES:

- ✓ ESIA-Environmental Impact Assessment Study – in progress



TRANSACTION

HEP is looking for potential financial/strategic investors and partners to develop the project.

INVESTMENT OPPORTUNITY

As a multipurpose project, hydro energy system Kosinj/Senj II offers multiple benefits both for investors and local community and economy.

The Kosinj reservoir is envisaged to store significant water potential (98% energy utilization of all water in Lika and Gacka rivers). Apart for additional generation of electricity, this storage enables the system to be used during the peak load hours and to provide ancillary services for the power system.

The investment value is 500 million EUR. The construction works are estimated to last 5 years.

Project entails at yearly average 360 GWh of new (peak load) energy and switch of 685 GWh of existing base load energy into peak periods.



HPP Senj



HPP Sklope

DESCRIPTION

- This project encompasses several existing, reconstructed and new objects on wide region from existing Sklope hydro power plant all the way to the sea side to the Senj hydro power plant.
- Kosinj reservoir will have volume of around 300 mil m³, and Kosinj hydro power plant with installed capacity of 52 MW and annual generation of 48 GWh.
- Several tunnels (new Lika-Gacka tunnel and new headrace tunnel) and canals (Bakovac-Lika) are to be constructed for more efficient usage of waters of Lika and Gacka.
- Existing compensation basin Gusić polje will be enlarged with new Gusić polje 2 basin to ensure around 2.1 million m³ of volume.
- From compensation basin Gusić polje, water is derived to water chambers and to existing and new Senj II hydro power plants.
- New Senj II hydro power plant will have installed capacity of around 340 MW and along with existing units the system will have total of 600 MW which could be part time used for covering the peak load.



HPP Senj - underground facility

CONTACTS

HEP Plc., Strategy and Corporate Development Department

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Center for Monitoring Business Activities in the Energy Sector and Investments, www.cei.hr, e-mail: cei@cei.hr

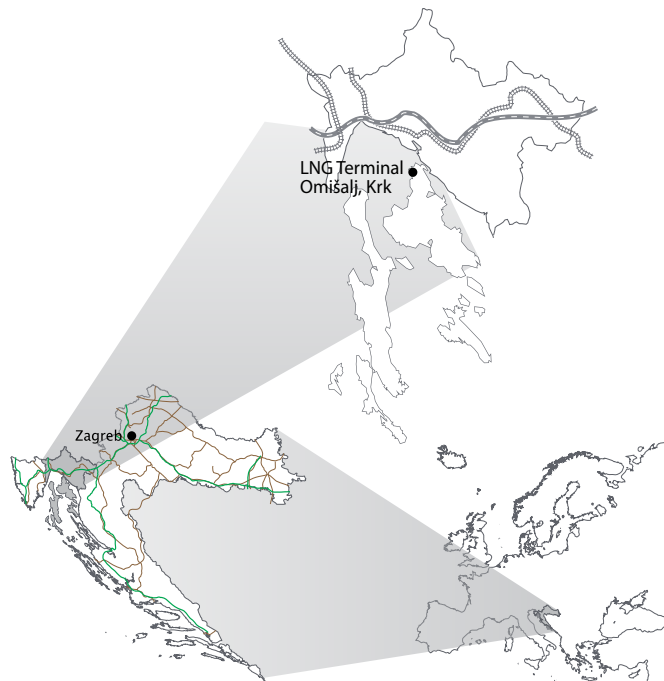
PROJECT DESCRIPTION

LNG Croatia LLC is a government-related project company (SPV) appointed for the purpose of building and operating the infrastructure necessary for receiving, storing, reloading and regasification of liquefied natural gas (LNG).

The Project has the purpose to secure energy needs and increase security of gas supply through the provision of new gas supply route for the Central and Southeastern European countries. The LNG terminal will be located in the northern part of the Adriatic coast, in Omišalj on the Island of Krk. The Project cash inflows are based on capacity reservation from LNG trading companies. Feasibility results show that the average regasification tariff will be competitive.

TECHNICAL FEATURES:

- terminal configuration: onshore tanks and vaporizers
- planned annual capacity: ca. 4-6 bcm
- tank capacity (full containment): 2x180,000 m³
- size of supply ships: 75,000 – 265,000 m³
- regasification technology: SCV (4+1,200,000 m³/h each)
- start of operation: 2019



PROJECT BENEFITS

The Project benefits are in compliance with the goals of the Croatian Energy Strategy which is based on security of energy supply and competitiveness and sustainability of the energy system.

The project is also an EU Project of Common Interest (PCI) and therefore it will benefit from accelerated and streamlined permit granting procedures, better regulatory treatment and financial support under the Connecting Europe Facility (CEF).

OTHER BENEFITS ARE:

- providing diversity of supply,
- providing security of supply (LNG),
- introducing the ecologically sound energy source in the region,
- providing back-up for renewable energy,
- reducing CO₂ emissions in the region,
- facilitating economic development.

Also, according to the Act on Strategic Investment Projects of the Republic of Croatia, the project has been declared as the investment project of special interest to the Republic of Croatia, thus securing that the procedures for obtaining all necessary permits will be significantly shortened.



PROJECT STATUS

COMPLETED ACTIVITIES:

- ✓ Feasibility study
- ✓ Environmental permit approved based on ESIA
- ✓ Conceptual design

ONGOING ACTIVITIES:

- ✓ Open Season for capacity booking
- ✓ Location permit – expected in Q4/2014



Future technical capacity of transmission pipelines in Croatia that will be enabled by the national transmission system operator before LNG terminal commissioning.

LNG terminal in Omišalj would create a delivery point in the heart of central Europe, with access to significant gas market.

ESTIMATED VALUE

Total investment is estimated in a range of 405 to EUR 630 million, depending on a development scenario selected for the project.

TRANSACTION

Business models under consideration: potential financial and strategic investors that will be selected through the public call procedure in 2015.

INVESTMENT OPPORTUNITY

LNG Croatia LLC is a government-related project company appointed for the purpose of building and operating the infrastructure necessary for receiving, storing and regasification of LNG.

unloading, storing, reloading, regasification and LNG quality adjustment. This call is an investment opportunity for LNG & gas traders as leverage in their gas supply and trade business.

The Company will launch a public call in Q1/2015 to all interested parties for long-term services such as

The Company will also launch a public call in 2015 to all interested parties to become investors in debt/equity.

CONTACTS

LNG Croatia LLC, www.lng.hr

Mr Mladen Antunović, Managing Director, e-mail: mladen.antunovic@lng.hr

or

Center for Monitoring Business Activities in the Energy Sector and Investments, www.cei.hr, e-mail: info@cei.hr

STATE-OWNED PORTFOLIO

**INDUSTRY SECTOR
PROJECT**

Virovitica Dairy



VIROVITICA DAIRY, Virovitica

PROJECT DESCRIPTION

The project intends to bring together important milk producers in the County through construction of adequate facilities for milk processing. The planned production line should enable the raw milk producers to process the surplus of milk into high added value products. The daily amount of milk purchase and production of this small industrial plant is 10,000 litres, with the following production structure: 2,500 litres for soft cheese, 5,000 litres for semi-hard cheese, 2,500 litres for cottage cheese and 500 litres for cream with 12% - 20% of fat.

The future facility is planned to be developed on the land owned by Virovitica-Podravina County, on total gross developed area of 1,458.90 m² and will be located in Business zone III in Virovitica, where all necessary infrastructure is already in place (gas, electricity, water, sewage). Technological and technical solution of the facility has features of a small industrial plant and is designed as a low-energy-efficient building.



POTENTIAL TRANSACTION STRUCTURE

Virovitica-Podravina County is the owner of the land planned for the construction of the dairy.

There are two possible transaction models:

- joint venture with the County where the land will be transferred to the new company, or
- right to build on the land for 99 years if the investor wants to develop the project independently

ESTIMATED VALUE

Total project value is estimated at 3.5 million EUR.

CURRENT PROJECT STATUS

The project is in a high stage of readiness as all major planning permits and additional documentation necessary for the fulfillment of the project have been obtained, along with location permit and the main project.





VIROVITICA-PODRAVINA COUNTY

Population (2011): **84,836**

GDP per capita (2011): **6,333 EUR**

Unemployment rate (2013): **36.2%**

Average gross monthly salary: **851 EUR**

Virovitica-Podravina County is located in northeastern Croatia and covers the area of Slavonia and Podravina. It is bordered by Bilogora, Papuk and Krndija from the South, with its slopes gradually merging with the Pannonian Plain. The County's northern border is the River Drava which also makes a natural border with Hungary in the largest part of its hundred kilometre long course.

The city of Virovitica is an administrative, economic, cultural and educational centre, in which tourism is developed through a variety of traditional and contemporary forms with numerous cultural, historical, theatrical and sporting events, exhibitions and concerts.

Fruit growing, horticulture and cattle breeding has a long tradition due to the wealth of natural resources. While corn

and wheat, medicinal herbs, tobacco and sugar beet of the highest quality are grown on fertile Slavonia and Podravina fields, the slopes of Bilogora and Papuk are covered with vineyards.

The forest richness has given impetus to the development of wood processing industry with worldwide reputation. Pure nature is an ideal setting for beekeeping, and beekeepers are known as the best in Croatia due to quality and quantity of their honey. The milk production is an important activity too although in recent years it has slightly decreased from 23.2 million litres in 2007 to 21.3 million delivered litres in 2012. Still the County covers 3.2% of total milk production in Croatia (2012).

The location of Virovitica-Podravina County at the intersection of important traffic routes has also led to the development of trade as well. Renowned international fairs – 'Viroexpo' and 'Agroexpo' in Virovitica and 'Agroarca' in Slatina have grown from small local events to ones of the largest fairs of this type in Croatia.

CONTACTS

Virovitica-Podravina County, Mr Tomislav Tolušić, County Prefect, e-mail: ured.zupana@vpz.hr;

Virovitica-Podravina County's Regional Development Agency, Mr Tomislav Petric, e-mail: tomislav.petric@ravidra.hr

Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr

Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr

PRIVATE PROJECTS

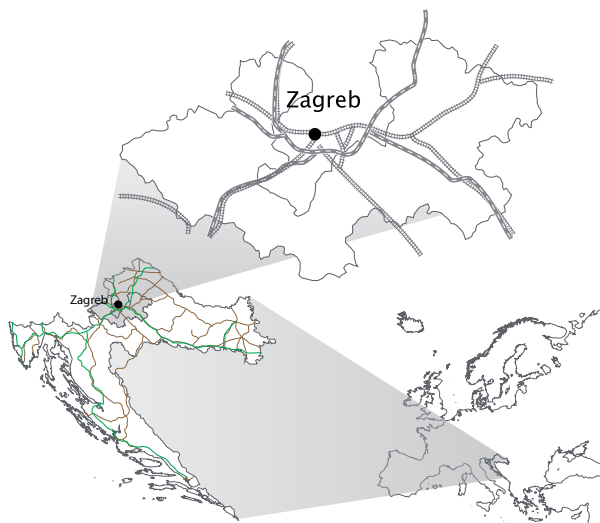
TOURISM SECTOR PROJECTS

Aristos Hotel
Biograd Health & Tourist Centre
Biska Golf Resort
Dubrovnik Pearl – Croatian Dream
Health Tourism Center Stubaki
Hortus Croatiae
Imperium Tower
Istria Estate & Country Club, Marlera Golf
Riviera Pašman
Sv. Martin Hotel and Resort
Wellness & Health Centre Nin

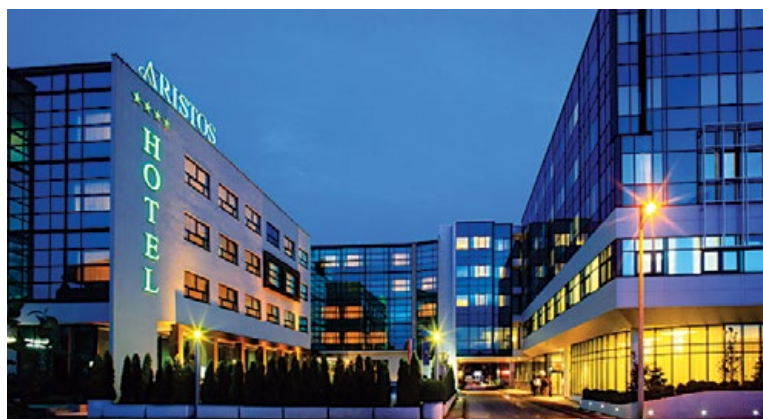
COMPANY

The Company owns and operates the four-star Aristos Hotel with 150 accommodation units of various types and a number of additional hotel services.

The Hotel is located in the well-developed business zone Buzin, in a Zagreb suburb, where a large number of domestic and international companies, as well as the US Embassy are situated. The vicinity of Zagreb International airport (7 km) and the Hotel's high categorization allow its positioning as a high quality business hotel, specialized in organisation of conferences, seminars and meetings.



The Hotel increased its capacity and services in 2009 as a result of an increased demand. Further development of the City of Zagreb as a tourist destination, a strong growth of tourist arrivals (from 301,227 in 2005 to 876,604 in 2013) and its recognition on the world destination map, combined with the increased demand for luxury hotels, provide a strong growth potential. The Hotel's attractiveness is also anticipated to enhance with the planned construction of a new terminal at Zagreb International Airport.



TRANSACTION

Sale of a majority stake in Turopolis Ltd., a company that owns and operates the Aristos Hotel.

FINANCIAL DATA (in EUR:)

Year	2011	2012	2013
Operating revenues	2,406,796	2,212,486	2,327,450
Operating expenses	2,469,433	2,557,191	2,497,233
EBIT	(62,638)	(344,705)	(169,783)
EBITDA	717,461	424,344	548,025
Net income	(3,570,006)	(1,072,084)	(875,079)
Total assets	21,796,529	20,136,380	19,117,719
Total liabilities	21,398,658	22,294,437	22,094,365
Number of employees	61	61	69

REAL ESTATE PORTFOLIO

HOTEL

The Hotel has 150 accommodation units and offers three types of rooms (comfort, superior and deluxe), three business suites and one deluxe suite. All rooms are furnished with real wood details and equipped with satellite TV, air-conditioning, phone, mini bar, safety deposit boxes and high-speed Internet connection.

CONFERENCE FACILITIES

Seven multi-functional conference halls spread over the total area of 908 m², which can be used for workshops, presentations, meetings, press conferences and similar events. Congress halls are equipped with sophisticated audio and video equipment, including LCD projectors, integrated projection walls, specially designed ergonomic chairs and air conditioning, and have a total capacity of 575 seats.

ADDITIONAL FACILITIES

The additional Hotel offer includes: a foreign exchange office, a gift shop, the Lobby bar, the Momento Lobby bar, a summer terrace, the Tiara Restaurant, a fully equipped e-business centre, Wellness & Spa centre, a fitness studio, laundry services and a hairdressing salon. There are also outdoor parking places.



CITY OF ZAGREB

Population (2011): **790,017**

GDP per capita (2011): **18,503 EUR**

Unemployment rate (2013): **10.8%**

Average gross monthly salary: **1,250 EUR**

Average gross salary in the sector (tourism): **781 EUR**

The City of Zagreb is the capital and the biggest city in the country. It is a cultural, scientific, economic, political and administrative centre with the seat of the Parliament, the President and the Government of the Republic of Croatia, located at the intersection of European traffic corridors (Vb and X Pan-European highway corridors as well as Va and X railway corridors).

According to the results of 2011 Census, Zagreb has 790,017 inhabitants, which represents around 18% of total population of Croatia. It has dominant economic, financial and political status in the Republic of Croatia, and accounts for approx. 37% of Croatia's total exports, 60% of Croatia's total imports and 53% of total revenues.

There is a predominance of service activities (especially wholesale and retail commerce) which participate with

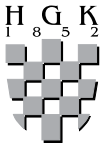
38% in the total revenues. However, primary and secondary activities are developed as well, primarily processing industry (production of electric machines and devices, chemical, pharmaceutical, textile, food processing). The largest number of enterprises is in trade, followed by scientific and technical services.

As a tourist, business and administrative centre, the City of Zagreb achieved 876,604 guest arrivals in 2013, with approx. 1.5 million overnight stays, of which 79% by foreign visitors. The overall accommodation capacity is cca 11,000 beds, most of them in hotels (65%). The hotel sector includes 49 hotels with 3,727 accommodation units; however, there are only three hotels with 5-star and 16 hotels with 4-star categorization.

A wide range of education institutions is concentrated in the City of Zagreb: in addition to the University of Zagreb with a tradition since 1669, which includes 29 faculties, 4 academies, a university centre of Croatian studies and a number of institutions of higher education, there are 12 private faculties and institutions of higher education.

CONTACT

Turopolis Ltd., www.hotel-aristos.hr, e-mail: aristos@hotel-aristos.hr

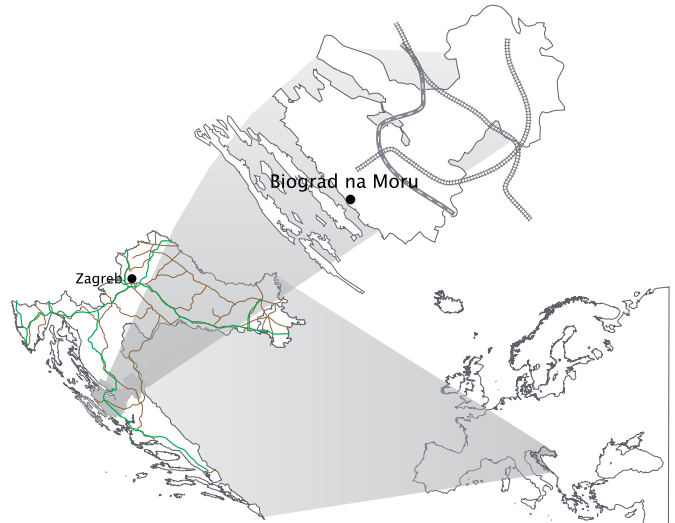


BIOGRAD HEALTH AND TOURIST CENTER, Biograd na Moru

PROJECT DESCRIPTION

Biograd Health and Tourist Centre is a project held by Zadar County, whose goal is a development of medical tourism offer within the Special Orthopedic Hospital in Biograd na Moru. It involves creating a new health and tourist center next to the existing hospital building.

In addition to the construction of new accommodation capacities and medical service facilities needed for various health treatments and therapies, the Project includes wellness and recreational area with indoor and outdoor amenities.



ESTIMATED VALUE

Estimated value: 25 mil EUR.

LOCATION

The designated location is adjacent to the Special Orthopedic Hospital in northern part of Biograd na Moru, easily accessible from Adriatic Tourist Road (Jadranska turistička cesta). Zadar International Airport is 28 km, while the Zagreb-Split Highway is 22 km away.

The Town of Biograd na Moru is surrounded by national parks (Kornati Islands, Velebit, Paklenica, The Krka Waterfalls, Plitvice Lakes) and nature parks (Telašćica

on Dugi Otok and the Vrana Lake). It is a well-known tourist and nautical center in the midpoint of the Adriatic coast, with over a century-long tourist tradition. It offers a wide variety of sports and recreational capacities, several marinas and rich gastronomic offer in numerous restaurants along the coast. In addition to its cultural heritage and vicinity to the historical cities of Zadar, Šibenik and Nin, Biograd na Moru is considered as a destination for an interesting and dynamic vacation.

TRANSACTION MODEL

Several possibilities are offered to the potential investors, including construction/concession, public-private partnership and other contract arrangements.

CURRENT STATUS

In accordance with the urban development plan, the area of 43,000 m², owned by the Project holder, is foreseen for the construction of health and tourist facilities.

The preparation of the project documentation is currently in process. The pre-study of development of health tourism has been made by Zadar County Development Agency. Feasibility study as well as terms of reference have been prepared. A public tender for the creation of the urban-architectural preliminary design has been implemented and a contractor has been chosen.

PLANNED FACILITIES

FACILITY SIZE:

- Gross floor area: 6,000 m²
- Ground floor size: 6,000 m²
- Total land area: 43,000 m²
- Allowed construction density: 0.3
- Allowed construction efficiency: 1.5



ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2011): **8,302 EUR**

Unemployment rate (2013): **22.5%**

Average gross monthly salary: **958 EUR**

Average gross salary in the sector (tourism): **952 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area of 7,487 km² consists of both sea and land. It is well connected via road, sea and air, i.e. the Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 27% growth in the number of passengers in 2013/2012.

The County's most important sectors are trade (30%); manufacturing industry (19%) – food industry, metal production, production of vessels, textile industry; transport and storage (13%); fishery and agriculture (8%), construction (8%) and tourism (7%). The main export markets are Japan (21%), Italy (19%), Slovenia (9.5%) and Germany (9.4%) while the most exported products are aluminium products (43.7%), fish – fresh and processed (34.7%) and machinery (7.9%).

With tourism gaining a more prominent role in the County's economic structure, there is an emphasis on extending local accommodation capacities. They amount to 36,086 accommodation units, with a majority (59%) in private

accommodation. Almost half of the capacities in hotels are classified as a 4-star category. There are also 6 marinas with a total of 1,818 berths. As a successful tourist region in Dalmatia, Zadar County recorded 6.7 million overnight stays in 2013 (10.4% of all overnight stays in Croatia), most of these (89%) by foreign guests.

The centrepiece of the County's rich tourist offer is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of them are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the County's tourist offer. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and the famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

Zadar is also an ancient European university city with a tradition since 1396. It offers 24 academic departments, such as: Agriculture and Mediterranean Aquaculture, Economics, Traffic and Maritime Studies, English, German, Italian and French Studies, Tourism and Communication Sciences Department and Humanities Department, with approximately 5,800 undergraduate, graduate, postgraduate and doctoral students.

CONTACTS

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PROJECT DESCRIPTION

Located in the North-West of Istria, the largest peninsula in Croatia, between towns of Umag and Novigrad, the project envisages a construction of a professional standard 18-hole golf course along with accompanying facilities on approx. 75 hectares of coastal woodland.

The golf course, designed by the leading British golf design team European Golf Design, should spread over 59 hectares. The residual land is envisaged for a construction of 80 luxury villas, a club house and four artificial lakes.

While the club house is planned to be built on three floors (club room, restaurant and bar, wellness centre, gym, conference hall, pro-shop), the 80 villas whose construction is planned in two phases should cover an area of over 8.5 hectares of land. The size of the villas is foreseen in a range from 350 up to 1,050 m² gross (constructed as individual villas and villas divided into two and three independent units). In addition, the commercial zone with a hotel will be built on the South-West part of the project area.



POTENTIAL TRANSACTION STRUCTURE

The sale subject is equity stake in the limited liability company Golf Istra Magica (GIM) which owns the project land area.

PROJECT STATUS

The project is in a high stage of readiness as all major planning permits and additional documentation necessary for the project fulfilment have been obtained. These include Physical Plan of Istria County, Physical Plan for the Development of Brtonigla Municipality and Urban Development Plans for the areas of Fratarska Šuma Golf Course and Mala Punta.

Master Plan (European Golf Design), Environmental Impact Study and Final Location Permit for Fratarska Šuma Golf Course and accompanying facilities (commercial and residential zones, golf course, club house, etc.) have been completed and/or obtained.

According to the statement of the Investor, the current status of permits and documentation allow the completion of the Project by autumn 2016 / spring 2017.

ISTRIA COUNTY

Population (2011): **208,055**
GDP per capita (2011): **12,991 EUR**
Unemployment rate (2013): **12.6%**
Average gross monthly salary: **997 EUR**
Average gross salary in the sector (tourism): **1,142 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km² and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula).

Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (24% of all arrivals and 30% of all overnight stays in Croatia in 2013) and trade sector. In recent years, great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia".

There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands were strongly developed). In the past decade, intensive investments (760 million EUR) in a construction of new and reconstruction of existing, primarily high-class hotel facilities were made resulting in a significant increase of five-star hotels (total of 4) and four-star hotels (total of 30).

In the structure of accommodation, from a total of 244,728 units, camps are the most represented (44.4%), followed



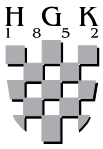
by private accommodation (22.6%), apartments and rural tourism (12.8%), hotels (11.2%) and accommodation in marinas (6.7%). Main markets in terms of overnight stays are Germany (30.1%), Slovenia (13.8%), Austria (11.1%) and Italy (8.8%).

Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre-Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing, and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza and Sv. Katarina i Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

CONTACT

Golf – Istra Magica Ltd.,
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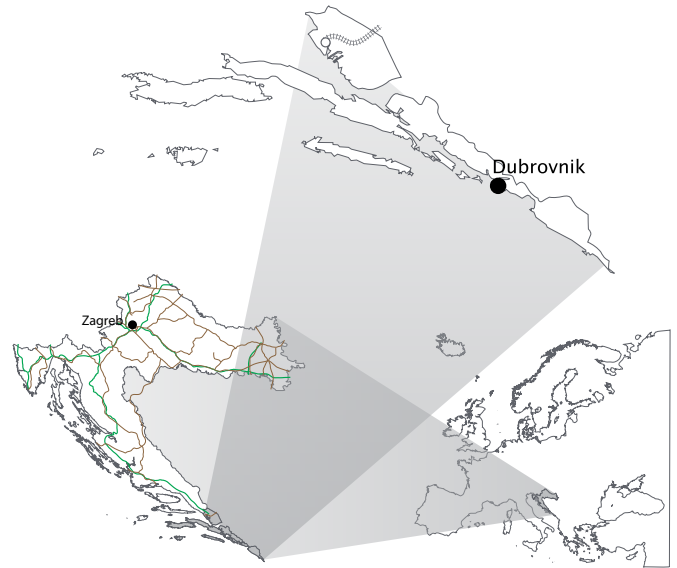
DUBROVNIK PEARL - CROATIAN DREAM

PROJECT DESCRIPTION

Project “Dubrovnik Pearl - Croatian Dream” involves building within an area of 260 ha, whereas 40 ha a luxury resort with hotels, a tourist centre and additional facilities – 7 hotels and resorts, 400 residences within hotels, 500 apartments, sports facilities, a marine for mega yachts with 400 berths, golf course (27 holes), 220 private villas, shops, restaurants, bars, museums, galleries and many other facilities.

The project is 100% privately owned and situated in an area of special state concern of the Republic of Croatia, thus allowing certain tax reliefs with the possibility of reduction of community contributions. The total area covers 260 ha with a planned capacity of 4,100 beds.

The planned area for the golf course is 205 ha, of which 27.3 ha are intended for the buildings. The building permit inside the zone enables the building of facilities up to 5 levels, with a maximum height of 20 m, on the condition that 40% of the building plot is organised as parks and natural green areas. The entire infrastructure within the zone is set out in the planning documentation.



ESTIMATED VALUE

Estimated value: 920 million EUR.

LOCATION

The project is located in the tourist zone „Sestrice“, in the centre of Dubrovnik-Neretva County on the eastern Adriatic coast and at the corridor that connects Central and Eastern Europe.

The location is attractive due to its proximity to the City of Dubrovnik, the most famous Croatian city and world-class tourist centre.

The zone is only 50 km from the A1 motorway, 50 km from railway station Ploče, 60 km from Dubrovnik Airport and 40 km from the Dubrovnik Seaport.

TRANSACTION MODEL

Looking for investor or strategic partner.

PROJECT STATUS

The project has a clean title property. All of the project contents are included in the spatial plan. For the tourism development zone and marina Urban Development Plan has been approved, and Environmental Impact Assessment is in progress; for the golf course Urban Development Plan and Environmental Impact Assessment are in progress. The preparation of a feasibility study is in progress. Infrastructure works have started on site.



DUBROVNIK-NERETVA COUNTY

Population (2011): **122,568**

GDP per capita (2011): **9,807 EUR**

Unemployment rate (2013): **20.5%**

Average gross salary: **994 EUR**

Average gross salary in the sector (tourism): **984 EUR**

Dubrovnik-Neretva County comprises of 5 cities and 17 municipalities. The County includes smaller islands covered in thick Mediterranean vegetation and forests, smaller settlements and agricultural land (olive groves and vineyards).

The main characteristic of the County's economy is the predominance of tertiary sector with tourism and hospitality industries and maritime shipping as main activities. The region also has significant agricultural potential in the area of the Neretva River Delta Valley and in the Pelješac Peninsula known for the active production of high quality wines.

The County is very well connected by Dubrovnik International Airport, close proximity to the modern A1 Zagreb-Split-Dubrovnik Highway, the deep sea port of Dubrovnik suitable for cruisers as well as an important cargo port Ploče (gateway of the future Pan-European transportation corridor Vc).

Dubrovnik's famous medieval old town (listed on UNESCO's world heritage list since 1979) along with the island of Korčula has positioned Dubrovnik and the County as a high-end European and global tourist destination (New York Times shortlisted Dubrovnik among 45 places to visit in 2012, USA Today placed Dubrovnik at the 4th place of prettiest European cities in November 2013).

Through investments in new and existing hotels, sports and infrastructure capacities and their constant development, tourism has become an industry of great strategic importance for the County, currently with 14 five-star hotels and 15 four-star hotels.

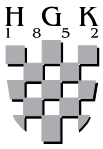
The potential for high-end tourism has already been identified by international hotel chains (Hilton, Radisson Blu, Rixos, Uzel Holding, Adriatic Luxury Hotels and Luksic Group) present in Dubrovnik area. Amanresort and Sheraton also plan to open their hotels in Cavtat and Srebreno.

The educational infrastructure relevant to the sector includes high schools for hospitality and catering, and two universities with excellent programs related to tourism (RIT Croatia - division of Rochester Institute of Technology, New York and Dubrovnik University).

CONTACTS

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HEALTH TOURISM CENTER STUBAKI

Stubičke Toplice

PROJECT DESCRIPTION

The main goal of the project is to create a unique health center and thermal Riviera on an area of 24 ha, based on high environmental, human and technological standards. The concept of the project has been created on the basis of already existing Specialized Hospital Stubičke Toplice that will be reconstructed and renovated according to the standards of modern medicine.

Besides the hospital, the project includes construction of three hotels: 5-star "Grand Spa Hotel Stubičke Toplice" with capacity of 466 beds and a congress centre, and 4-star "Stubaki Wellness Hotel" and "Meditative Maksimilijan Hotel" with total capacity of 636 beds. As additional attraction within the center, a Wellness Center and Thermal Riviera is planned together with an aquapark. The project encompasses a construction of an eco-ethno village offering accommodation in 10 authentic villas enabling visitors to feel and enjoy local traditional environment. Once completed, the project will create 500 new workplaces.



LOCATION DESCRIPTION

The project is located in the Zagorje region, Northwest of Croatia, in the municipality of Stubičke Toplice, just 45 km from Zagreb, the capital city of Croatia and its international airport. Stubičke Toplice are well connected with the European network of highways through the junction to the Pyhrn Motorway (from Nürnberg, Germany to Belgrade, Serbia) that is just 8 km away from the municipality. In addition, it is connected with Zagreb by railway, that once represented the simplest connection for trips to Stubičke Toplice, a traditional resort of Zagreb citizens.

This is a place with a long tourist tradition with beautiful scenery and rich geothermal resources in close vicinity from the most important European Spa tourism emissive markets (Italy, Austria, Slovenia, Hungary...). Within a radius of 20 km there are numerous specialized medical institutions such as the Special Hospital for rehabilitation, cardio-vascular surgery, orthopedic clinics and dialysis, which contribute to the attractiveness of the destination for further development of health tourism.

ESTIMATED VALUE

Total estimated value: 72 mil EUR.

TRANSACTION MODEL

Public private partnership. The private partner bears the investment risk of EUR 18 mil of its own funds and EUR 54 mil have been already secured by commercial bank loan.



PROJECT STATUS

The project area is in accordance with the Detailed Urban Plan of the municipality of Stubičke Toplice and has been intended for the construction of tourist and recreation facilities as well as public – health facilities.

The building licence has been issued for the access road and the construction works have started on the site. The main design for the part of the project (hotels) is in progress. The project has a strong support from the local community and Krapina Zagorje County is a partner in the project.



Grand Spa Hotel

KRAPINA-ZAGORJE COUNTY

Population (2011): **132,892**

GDP per capita (2011): **6,300 EUR**

Unemployment rate (2013): **21.3%**

Average gross monthly salary: **847 EUR**

Krapina-Zagorje County is located in the north-western part of Croatia, covering an area of 1,224 km². In the West it borders with Slovenia, in the Northeast with Varaždin County, and with Zagreb County in the Southwest and Southeast. The County's location makes it an unavoidable transport route from Western Europe via Slovenia (Maribor) to the country capital City of Zagreb and further towards all main international and national routes leading to South, East and North of Croatia.

The County's economy is based on manufacturing and processing industries with production of glass and glass products, machinery and mechanical appliances, furniture,

fibres, clothes and clothing accessories as the leading branches. It is traditionally oriented toward its main export partners: Slovenia, Germany, Italy and Austria.

The County has extremely rich cultural, historical, religious and eno-gastronomical offer. It abounds with many medieval castles and fortifications. The Prehistoric Park of Krapina Neanderthals (world's most important Neanderthal site) makes Krapina-Zagorje County one of the most attractive continental destinations in Croatia.

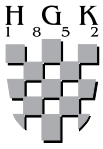
Due to its richness in thermal and drinking water springs, the County is widely known and popular destination for health and spa tourism as well.

CONTACTS

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HORTUS CROATIAE

The Garden of Croatia

PROJECT DESCRIPTION

The project involves construction of a holistic wellness & health resort with an additional attraction in the form of tropical gardens; hybrid geothermal energy power plant of new generation based on own sustainable geothermal source with combined steam and gas production of electricity (7 MWe) and heat (24+MWth), and residential village development with villas and apartments surrounded by golf course and the drinking and mineral water bottling plant from own source on the site.

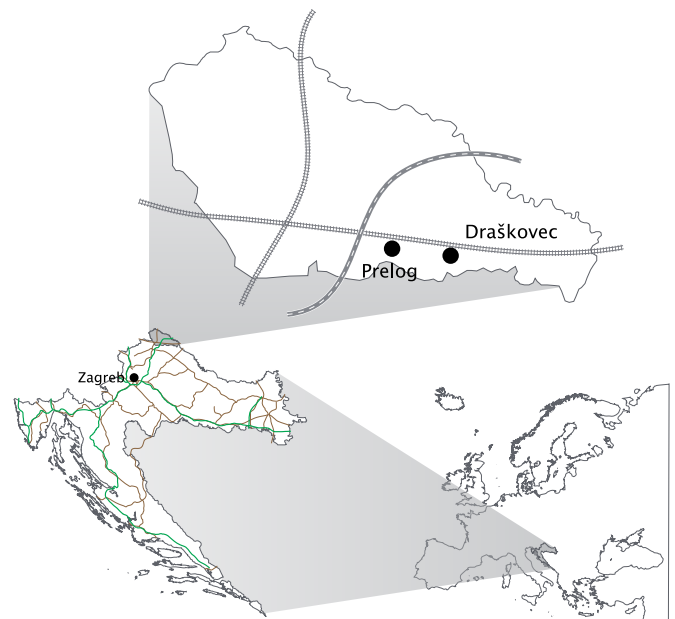
THE PROJECT IS DIVIDED INTO 3 MAIN PHASES AND SUBPHASES

PHASE 1:

- 1a** - Construction of a Hybrid Geothermal Power Plant (7 MWe, 24+MWth + extension to up to 17.3 MWe, 40+MWth);
- 1b** - Indoor and Outdoor Health and Water Park (6,000 m² of pools' water surfaces and 12,500 m² land plots with horticultural gardens);
- 1c** - Tropical Gardens; Greenhouse agriculture and fish breeding (tropical fruits and spices);

PHASE 2:

- 2a** - Spa & Conference 150 - 180 rooms Hotel with Medical Policlinic (primarily Dermatology & Gynaecology);
- 2b** - 40 rooms All suite 4+/5 star boutique hotel;
- 2c** - 240 units in Villas & Apartments village (to be sold on RE market and managed back by the main operator company) and 9-holes golf course (one option is development of serviced apartments for active seniors)



PHASE 3:

Drinking and Mineral water bottling plant "Aqua Hortus".

The whole Hortus Croatiae complex is envisioned as an organically structured park village in an exceptionally attractive horticultural environment with natural water and pools surfaces, resonating natural warmth, cosy atmosphere, hospitality, tradition and natural environment at a 4+* (to partially 5*) quality level with extremely economically and financially efficient energy and water production elements.

PROJECT HOLDER

There are two companies involved in the project: Aqua Aera Terra (AAT) Ltd. and the company AAT Geothermae Ltd. AAT Ltd. is the owner of 500,000 m² of urbanised land and the health tourism, spa, tropical garden, water bottling and real estate & golf project, while the other AAT Geothermae Ltd. is the proprietor of 63,000 m² of urbanised land, geothermal well and sustainable hybrid geothermal energy plant project.

ESTIMATED VALUE

Total gross estimated value of all three phases of the project is approx. 153.5 mil EUR. Presentation of the planned development phases and sub-phases and their new investment cost (excluding existing development value/cost: urbanized land, infrastructure, development, taxes and other assets and costs already invested):

- Phase 1a (Year 2014-2015) = 22.5 mil EUR
(enhancement of the energy power plant in further phases: additional 45 mil EUR in 2015-2017);

- Phase 1b (2015-2016) = 24.5 mil EUR;
- Phase 1c (2016-2017) = 14 mil EUR;
- Phase 2a (2016-2018) = 32 mil EUR;
- Phase 2b (2016-2018) = 8 mil EUR;
- Phase 2c (2015-2018) = 37.5 mil EUR;
- Phase 3 (2015-2018) = 15 mil EUR.

TRANSACTION MODEL

The Developer is looking for a potential financial/strategic investor and partner to enter the project by acquisition of certain amount of the shares of the AAT company or/and AATG company; adding capital or offer a preferred equity facility or mezzanine financing facility (or other combination of capital and financing transaction if demanded by the policy of Investor/Financer). Investors can enter into each company separately or into both companies simultaneously.

The project is realised in phases and combination of equity and debt financing sources.

LOCATION

The property is situated in the Međimurje region, in Northwest of Croatia, in the Municipality Prelog and the Draškovec settlement, in close vicinity of the highway Zagreb-Varaždin-Budapest. The capital city of Croatia Zagreb (and its main airport) is only a 60 minute drive away. The location is in the car drive vicinity from the markets of Austria, Hungary, Italy, Slovenia, Czech Republic, Southern Germany, as well as the City of Zagreb and all northern Croatia and nearest eastern European countries, which form the most important European Spa markets.



CURRENT STATUS

The whole project consists of 560,000 m² of land planned in the County's Spatial Plan and the Detailed Urban Plan of the City of Prelog for: development and construction of tourist facilities (T1 and T2); geothermal energy and mineral water exploitation (E2, E5); residential villas and apartments units development (M - mixed use). The Detailed Urban Plan (for the 1st zone of approx. 300,000 m²), regulates the position of energy production from the own geo-thermal source and mineral water bottling exploitation facilities from the own source on the site, water & wellness & health park with recreation facilities and three hotels. The building permit for water, Wellness & Health Park was obtained in October 2010 and construction works can start any time in 2014/15. Building permits for the hotels and water bottling plant can be obtained in a period of few months due to the existing conceptual designs and obtained Detail Urban Plan. For the 2nd zone (of approx. 250,000 m²) that includes Villas & Apartments village and golf course, the process of defining the final conceptual design and the Detailed Urban Plan has also been finished. Documentation for the energy permit (feed in tariff and delivery of the produced green electricity) is fully prepared. The location and building permit for connection of the power plant to the grid and all legal property issues on connection corridor were obtained in October/November 2014. The research concession (approval) for the 1,100 ha of geothermal field Draškovec-AATG was obtained in August 2013 so the construction of the

new geothermal drills is starting by the end of 2014. The first adaptation and testing works on the existing geothermal well Draškovec-1 were finished in January/ February 2014, as well as the testing phase of the energy production plant in September 2014. The connection to the grid is planned to be finished during the spring 2015 and first production of electricity will start in May/June 2015.

The project of the power plant AAT Geothermae was applied to EU Commission's tender NER300 for rewards for innovative solutions in renewable energy and CCS. The project received grant in financial value of 14.7 mil EUR. AAT Geothermae will apply for additional funding for the development of its innovative technology in the EU program Horizon 2020 and for the development of the Spa and Health tourism project "Hortus Croatiae", the company AAT will apply for funding at ERDF fund for Croatia. The documentation for both planned applications is ready.

All the technical and financial feasibility studies for 1st phase development are prepared. The investment project of Energy Plant AAT Geothermae (Phase 1a) is ongoing and has secured financing for the first phase of the plant. For all phases the complete investment programs and business plans have been made, as well as the debt/loan financing conditions for their realization have been preliminary agreed with the local/international commercial and development banks.

MEĐIMURJE COUNTY

Population (2011): **113,804**

GDP per capita (2011): **8,459 EUR**

Unemployment rate (2013): **18.7%**

Average gross monthly salary: **783 EUR**

Međimurje County, with its county seat Čakovec, is located in the northernmost part of the Republic of Croatia bordering Slovenia and Hungary and between Mura and Drava rivers.

The county's great advantage is its close proximity to highways (Budapest-Lendava-Graz-Vienna and Budapest-

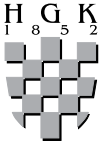
Zagreb-Rijeka) and to airports (Zagreb, Maribor) as well as railway connections).

The economy of Međimurje is export-oriented and fast-growing with highly developed food and wood processing industry, food production, production of textiles, footwear, plastics, trade and construction.

Međimurje County was ranked third among small European regions in the competition European Cities/Regions of the Future 2010/2011, organised by FDI Magazine, one of the leading magazines on global business (fourth among southern European regions and thirteenth overall).

CONTACTS

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IMPERIUM TOWER, Zagreb

PROJECT DESCRIPTION

Imperium Tower is planned to be constructed as a multipurpose tower consisting of hotel section, office space and lounge bar on the 28th floor.

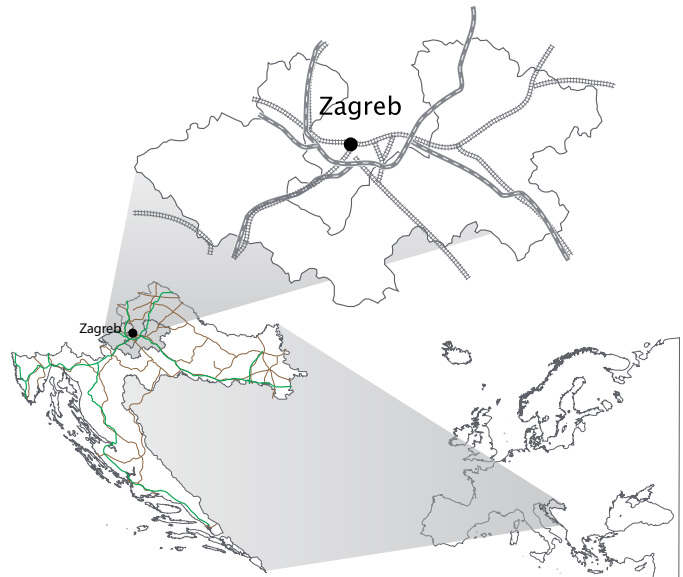
Total Gross Area of the building is 37,055 m², of which 31,293 m² above ground and 5,762 m² underground.

Above-ground part of the building consists of 2 parts, a storey ground floor +28 floors, and another ground floor +3 floors. The ground level of a larger volume (ground floor +28 floors) consists of a lobby, hotel reception and the entrance to the business section, while the back area is reserved for the garage. On the first, second and third floor respectively there is a hotel restaurant with kitchen and on the 2nd and 3rd floor there are 2 conference halls with accompanying kitchens purpose, and in one part of the 3rd floor there is hotel management office, while the back part of the floor will contain parking lot.

Levels from the fourth to tenth floor are reserved for hotel which will consist of 22 rooms per floor, 154 rooms in total.

Levels from 11 through 28 are reserved for office spaces.

The 28th level will contain a lounge bar with office spaces.



The facility has three underground levels consisting of the garage parking spaces.

The third underground level is planned to have a place for recreation and wellness, and the second underground level is planned for an entertainment area (casino).

ESTIMATED VALUE

Estimated value: 16 mil EUR.

LOCATION DESCRIPTION

The building is located in the Croatian capital, Zagreb, at the junction of Zagreb Avenue and Savska Street (the two busiest roads in Zagreb, located 900 m from the main city square).

It is situated at a distance of 20 m from a tram stop. There is a lay-by for buses 10 m from the building, and it is a five-minute drive from the main motorway.

PROJECT STATUS

A feasibility study for the project has been made and valid location permit has been obtained. The construction permit has been applied for and its issuance is expected in due time. The main design as well as a detailed design of the project has been made together with the detailed cost estimates.

A profitability study of the project has been made based on the HVS method, and managing of the future hotel has been arranged with one of the global hotel chains. The project is completely prepared and construction works can begin upon finding a joint venture / strategic partner.

TYPE OF INVESTMENT

This is a private investment and the project holder is looking for joint venture, strategic partner or financing of the project.



CITY OF ZAGREB

Population (2011): **790,017**

GDP per capita (2011): **18,503 EUR**

Unemployment rate (2013): **10.8%**

Average gross monthly salary: **1,250 EUR**

Average gross salary in the sector (tourism): **781 EUR**

The City of Zagreb is the capital and the biggest city in the country. It is a cultural, scientific, economic, political and administrative centre with the seat of the Parliament, the President and the Government of the Republic of Croatia, located at the intersection of European traffic corridors (Vb and X Pan-European highway corridors as well as Va and X railway corridors).

According to the results of 2011 Census, Zagreb has 790,017 inhabitants, which represents around 18% of total population of Croatia. It has dominant economic, financial and political status in the Republic of Croatia, and accounts for approx. 37% of Croatia's total exports, 60% of Croatia's total imports and 53% of total revenues.

There is a predominance of service activities (especially wholesale and retail commerce) which participate with

38% in the total revenues. However, primary and secondary activities are developed as well, primarily processing industry (production of electric machines and devices, chemical, pharmaceutical, textile, food processing). The largest number of enterprises is in trade, followed by scientific and technical services.

As a tourist, business and administrative centre, the City of Zagreb achieved 876,604 guest arrivals in 2013, with approx. 1.5 million overnight stays, of which 79% by foreign visitors. The overall accommodation capacity is cca 11,000 beds, most of them in hotels (65%). The hotel sector includes 49 hotels with 3,727 accommodation units; however, there are only three hotels with 5-star and 16 hotels with 4-star categorization.

A wide range of education institutions is concentrated in the City of Zagreb: in addition to the University of Zagreb with a tradition since 1669, which includes 29 faculties, 4 academies, a university centre of Croatian studies and a number of institutions of higher education, there are 12 private faculties and institutions of higher education.

CONTACTS

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ISTRIA ESTATE & COUNTRY CLUB, Marlera Golf

PROJECT DESCRIPTION

The Istria Estate & Country Club in Croatia provides a unique investment opportunity with the possibility to participate in a premier high-end integrated golf and real estate development, with direct access to the sea and in a truly fascinating natural environment. The current master plan for the overall envisioned development stretching over 126 hectares of land is to include:

- five star luxury hotel with 170 rooms, extensive spa & wellness facilities, conference facilities, restaurants, bars, and a casino
- 114 residential units: 87 apartments with two or three bedrooms and 27 luxury villas
- 18+9 hole golf course and amenities

The golf course architect Graham Cooke & Associates from Canada has originally designed the golf course for the Project, while Bull Stockwell Allen, a San Francisco based design firm was responsible for designing Marlera's facility architecture including clubhouse. GTC has also partnered up with Mark Hamlin of the SE Group, responsible for landscape architecture, environmental and land planning. Among others, the unique selling points of the project



include the suitability of the site for the resort development, its excellent location and accessibility, the favorable building permits obtained, the freehold residential ownership options and the owner's development track record.

OWNERSHIP STRUCTURE

GTC Group, headquartered in Poland, is a leading developer in Central and Eastern Europe. The company has a diverse experience in real estate development projects within the office, residential and commercial sectors, having played a major role in several large-scale projects.

Marlera Golf LD Ltd. & Nova Istra Ideaus Ltd. are the entities that own the land where the Istria Estate & Country Club is to be developed. Ultimately, both subsidiaries are controlled by GTC Group.

ESTIMATED VALUE

KEY INVESTMENT HIGHLIGHTS

Residential component

- Total Gross Floor Area – 23,300 m²
- Total estimated sales proceeds – approx. 90 to 100 mil EUR

Hotel component

- Total Gross Floor Area – 29,200 m²
- Estimated stabilised EBITDA – approx. 3.7 to 4 mil EUR

Golf component

- 18-hole golf course – 113 hectares
- Clubhouse – Total Gross Floor Area – 1,800 m²
- Estimated stabilised EBITDA – approx. 1 to 1.25 mil EUR

Total estimated development cost including land: 100 mil EUR

Total development costs excluding land: approx. 70 to 75 mil EUR

LOCATION DESCRIPTION

The project is located on the southern tip of the Istria peninsula, with incredible views on the Adriatic Sea, where the tranquility of the countryside meets the untouched seashore, only a few kilometers from vibrant Pula, the region's administrative center.

TRANSACTION MODEL

Looking for investor or strategic partner.

PROJECT STATUS

The project is in an advanced development stage. To date, the following project preparatory work has been completed:

- ✓ Market assessment
- ✓ Concept and master plan development
- ✓ Financial feasibility studies
- ✓ Design and architectural planning
- ✓ Permits (location permit and construction permit have been obtained, except for the hotel)

The subject land has been earmarked for the development and all relevant permits are currently in place.



ISTRIA COUNTY

Population (2011): **208,055**
GDP per capita (2011): **12,991 EUR**
Unemployment rate (2013): **12.6%**
Average gross monthly salary: **997 EUR**
Average gross salary in the sector (tourism): **1,142 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km² and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula).

Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (24% of all arrivals and 30% of all overnight stays in Croatia in 2013) and trade sector.

In recent years, a great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism,

particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia".

In the past decade, intensive investments (760 million EUR) in a construction of new and reconstruction of existing, primarily high-class hotel facilities were made resulting in a significant increase of five-star hotels (total of 4) and four-star hotels (total of 30).

In the structure of accommodation, from a total of 244,728 units, camps are the most represented (44.4%), followed by private accommodation (22.6%), apartments and rural tourism (12.8%), hotels (11.2%) and accommodation in marinas (6.7%).

The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural, nautical, convention, hunting, fishing, and diving tourism. Further development of tourism in this region will be ensured with new projects, (notably the Brijuni Riviera) and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

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PROJECT RIVIJERA PAŠMAN, Island of Pašman

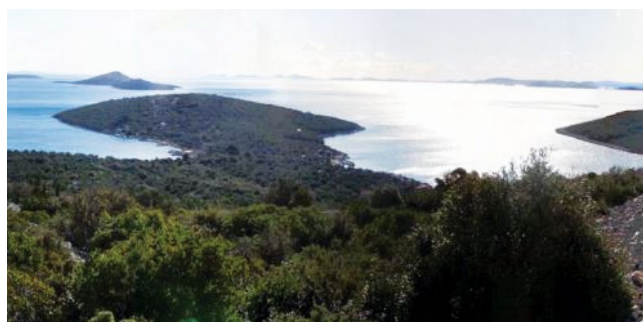
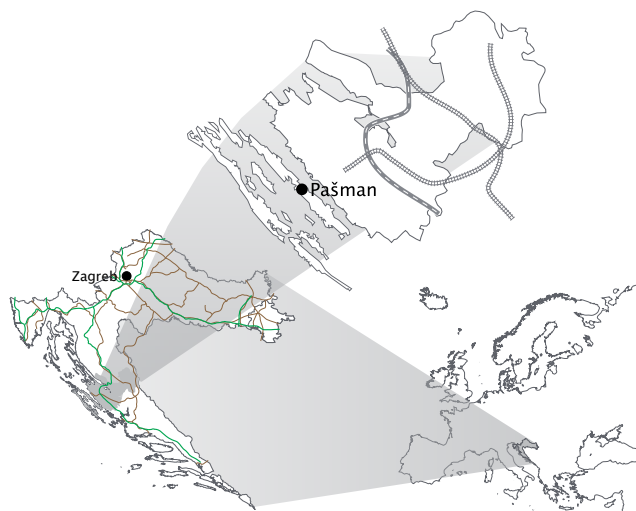
TRANSACTION MODEL

The Project Rivijera Pašman is a greenfield project owned by the Municipality of Pašman, the owner of 97% of total 280 hectares of land envisaged for the implementation of the Project.

The Municipality of Pašman as the project owner has established a special vehicle company (SPV) called Pašman Rivijera Ltd. which will be offered for sale to the best bidder selected in an international tender. In this stage the potential investors are expected to propose the price for a construction right and lease for the project land. Pašman Rivijera Ltd. will be granted the construction right on 100 hectares for a period of 99 years (tourist zone T2), while the rest of the land in the project scope planned for recreation and agriculture will be offered for lease for the same period of time. The tender is expected to be announced during 2014.

OBJECTIVE:

The goal of the Pašman Resort Project is the development of top-quality and attractive tourist destination of the highest category with an innovative marketing concept that should enable sustainable tourist development on the Island of Pašman while preserving natural characteristics of the area and respecting local tradition and cultural heritage.



ESTIMATED VALUE

500 million EUR.

PROJECT DESCRIPTION

The project is located in the southern part of the Island of Pašman, Zadar County, in one of the best preserved and most attractive areas in the Adriatic Sea near the Kornati National Park with its numerous islands.

The project location is easily accessible due to short distance from the mainland (good ferry connections to Zadar and Biograd, and international ferry lines between Zadar and Ancona), and Zadar International Airport (18 kilometres). Pašman and Ugljan are connected by a bridge. These two islands are also connected by bus lines, and the busses are coordinated with almost all the ferry lines on both sides. The

development area of the project is 280 hectares, located along an 8 km long sea shore, out of which approximately 100 hectares are a construction area and some 180 hectares are a potential recreational and agriculture area.

The project includes the construction of hotels, tourist apartments and villas with a total capacity up to 4,000 beds, along with accompanying facilities and adequate infrastructure in two zones: zone A (Soline bay) and zone B (Žinčena bay). Basic documentation for project implementation has been prepared (urban development plan will be created after the selection of eligible investors).

PLANNED CAPACITIES

ZONE A (SOLINE BAY)

Hotel 4*; 2 levels, 400 rooms/800 beds, size 26,000 m² (gross developed area-GDP),

Villas; 2 levels, 6 units/60 beds, size 2,100 m² (GDP),

Houses in the row; 2 levels, 110 units/572 beds, 15,180 m² (GDP),

Apartments; 1 and 2 levels, 116 units/568 beds, 11,930 m² (GDP).

ZONE B (ŽINČENA BAY)

Hotel 5*; 2 levels, 130 rooms/260 beds, size 12,000 m² (GDP),

Hotel 5+*; 2 levels, 80 rooms/160 beds, 12,800 m² (GDP),

Villas; 2 levels, 36 units/226 beds, size 7,090 m² (GDP),

Houses in the row; 2 levels, 109 units/604 beds, size 15,600 m² (GDP),

Apartments, 1 and 2 levels, 103 units/750 beds, 15,765 m² (GDP).

OTHER FACILITIES (SELECTED):

Convention Centre, Wellness Centre, Harbour for 180 berths, Fisherman Harbour for 20 boats, Maritime Club, Diving & Water Ski Center, Bowling area, TC Food & Beverage, TC Retail, TC Services (Post office, Bank, Info desk...), TC Entertainment (discotheque, bowling), TC Square, Artificial beach, Sport and Recreation area, Amphitheatre.

ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2011): **8,302 EUR**

Unemployment rate (2013): **22.5%**

Average gross monthly salary: **958 EUR**

Average gross salary in the sector (tourism): **952 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area of 7,487 km² consists of both sea and land. It is well connected via road, sea and air, i.e. the Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 27% growth in the number of passengers in 2013/2012.

With tourism gaining a more prominent role in the County's economic structure, there is an emphasis on extending local accommodation capacities. They amount to 36,086 accommodation units, with a majority (59%) in private accommodation. Almost half of the capacities in hotels are classified as a 4-star category. There are also 6 marinas with a total of 1,818 berths. As a successful tourist region in Dalmatia, Zadar County recorded 6.7 million overnight

stays in 2013 (10.4% of all overnight stays in Croatia), most of these (89%) by foreign guests.

The centrepiece of the County's rich tourist offer is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of them are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the County's tourist offer. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and the famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

Zadar is also an ancient European university city with a tradition since 1396. It offers 24 academic departments, such as: Agriculture and Mediterranean Aquaculture, Economics, Traffic and Maritime Studies, English, German, Italian and French Studies, Tourism and Communication Sciences Department and Humanities Department, with approximately 5,800 undergraduate, graduate, postgraduate and doctoral students.

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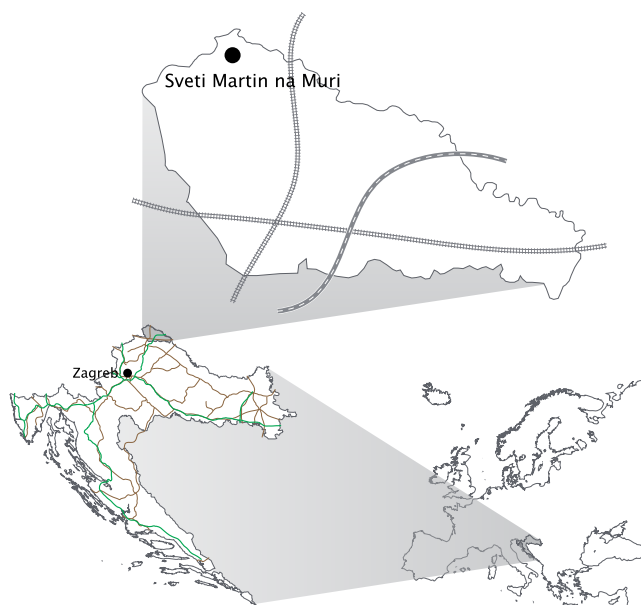
SVETI MARTIN HOTELS AND RESORT, Sveti Martin na Muri

PROJECT DESCRIPTION

The company Toplice Sveti Martin Plc. is located in the very North of Croatia in Međimurje County, minutes away from the borders with Slovenia and Hungary, and 120 km from the capital of Croatia, Zagreb. It is well-connected by main roads to the Budapest-Lendava-Graz-Vienna (10 km) and Budapest-Zagreb-Rijeka (20 km) highways and main airports in Croatia and the neighboring countries.

The Company was founded in 2003, and up to now approximately 83 million EUR has been invested in the resort, which today is one of the leading Croatian inland SPAs, that caters for individual, corporate and sports customers.

The current investors/owners plan to upgrade and extend the existing complex (with 147-key lifestyle 4* hotel, self-contained wellness club, reconstruction and expansion of the water park with an adventure park, auto camp, football field with a heated ground and construction of infrastructure facilities for energy independence and sustainability) and are in search for a joint venture partner. The scope of partnership with a new investor is open for discussion. All documentation necessary for the new investment is ready.



ESTIMATED VALUE

Estimated value of new investment: 32 million EUR.

FINANCIAL DATA (in EUR:)

Year	2011	2012	2013
Operating revenues	4,061,405	4,114,109	4,252,924
Operating expenses	6,096,836	5,615,158	5,538,550
EBIT	(2,035,431)	(1,501,049)	(1,285,626)
EBITDA	(834,266)	(294,265)	(261,742)
Net income	(2,122,847)	(2,040,943)	(2,658,244)
Total assets	40,338,477	38,987,659	37,446,699
Total liabilities	35,909,095	36,608,145	49,745,217
Number of employees	203	179	178

REAL ESTATE PORTFOLIO

EXISTING FACILITIES:

- 81-key apartment complex Regina 4* with 214 beds, a restaurant for 300 persons and three multi-purpose halls,
- Indoor swimming pool complex (1,050 m²) with a spinal therapy and physiotherapy centre and restaurant,
- Multifunctional building with restaurants, small shops, summer changing rooms with lockers, and 2,850 m² of summer swimming pools with whirlpools and 5 types of water slides, a landscaped swimming area of 10,000 m² with 2,000 deckchairs and 4 summer cafe restaurants with approximately 900 seats,
- 157-key Spa Golfer 4* hotel (151 rooms and 6 suites with 314 beds and 25 extra beds) with a multifunctional conference hall for 500 persons, a 1,800 m² wellness centre, restaurants and kindergartens,
- Recreation area (a golf course with 9 holes and driving ranges, a football pitch, 4 tennis courts with floodlights, a basketball court, 2 bocce courts and a beach volleyball court),
- Golf club with shops, restaurants and a golf simulator, covering gross floor area of 30,000 m²

MEĐIMURJE COUNTY

Population (2011): **113,804**

GDP per capita (2011): **8,459 EUR**

Unemployment rate (2013): **18.7%**

Average gross monthly salary: **783 EUR**

Average gross salary in the sector (tourism): **543 EUR**

Međimurje County is located in the northernmost part of the Republic of Croatia bordering Slovenia and Hungary and between Mura and Drava rivers. The County's great advantage is its close proximity to highways (Budapest-Lendava-Graz-Vienna and Budapest-Zagreb-Rijeka) and airports (Zagreb, Maribor), as well as railway connections, which are nowadays the main backbone route of Middle and East Europe towards northern Adriatic parts. Čakovec, the County seat and also the biggest city of the County is about 90 kilometres North-East of Zagreb, the Croatian capital.

The most important factors that determine the economy and development of the County are its geographical position, natural resources and population, as well as the tradition of entrepreneurship and favourable business environment.

The economy of Međimurje is export-oriented and fast-growing with highly developed food and wood processing industry, food production, production of textiles, footwear, plastics, trade and construction. It is export-oriented (to Germany, Austria, Italy, France, Slovenia and the Netherlands) and based on small and medium-sized enterprises.

Međimurje County was ranked third among small European regions in the competition European Cities/Regions of the Future 2010/2011, organised by FDI Magazine, one of the leading magazines on global business (fourth among southern European regions and thirteenth overall).

Natural beauty of Međimurje county with numerous slopes of foothills, lowland interior intersected by hundreds of smaller lakes and waterways, its preserved natural and built resources of high quality potable groundwater and thermal water, rich cultural and natural heritage, well-built infrastructure, with an emphasis on a preserved environment are excellent prerequisites for the further development of tourism. Međimurje is also known as a Flower Garden of Croatia.

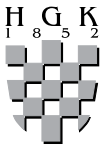
So far the tourism focus has solely been on the Adriatic coast and the summer tourism. However, over the last several years the potential of the inland tourism has been recognized and both investments and promotion in this segment have increased which together with a recent development of gastro and wine tourism fostered tourism growth. Međimurje is one of the fastest growing counties in terms of tourist overnights. Number of overnight stays increased by 11% in 2013/2012, while a number of arrivals increased by 16% in the same period.

There is also a 9 hole golf resort in the County (Sveti Martin Golf Resort) with heated artificial turf and putting greens, among first of this kind in Europe.

CONTACTS

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WELLNESS & HEALTH CENTER, Nin

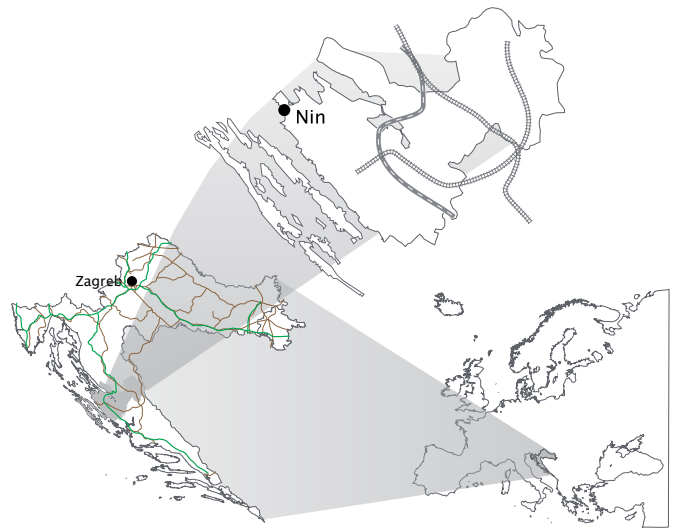
PROJECT DESCRIPTION

The Project involves three components: accommodation facilities, providing top quality wellness and tourist services and utilization of attractive natural resources of the City of Nin (medicinal peloid, climate, sea with beautiful sandy beaches).

The City of Nin, the oldest Croatian royal town, is located 17 km northwest of Zadar and is in the vicinity of fascinating national parks Kornati, Plitvice and Velebit, which makes it a very attractive tourist destination. A town of ancient past, it is 3,000 years old and is among the oldest towns on the Adriatic coast.

Nin is easily accessible from Zadar Airport and has direct connection to the main A1 Zagreb-Split-Dubrovnik Highway.

The concept of the Wellness & Health Centre is based on a preventive, curative and wellness program, with sports and fitness facilities, and a possibility of providing services for congresses and conferences. Designed for people committed to improving and maintaining their health, the project is focused on a total well-being, and it aims to provide personalized services considering individual needs, therefore creating an attractive and high quality tourism project.



PROJECT HOLDER

Project Holder is the limited liability company Rekreacijsko-turistički centar Nin, wholly owned by Tankerska plovidba Plc., the largest Croatian shipping company currently operating a fleet of fourteen ships.

ESTIMATED VALUE

Pursuant to the investment schedule the investment value has been estimated at 60 million EUR.

PROJECT STATUS

Rekreacijsko-turistički centar Ltd. has been granted a right to build on a 14 ha lot by the City of Nin, for a 70 year period as of 31 December, 2013.

The main design and the feasibility study of the project have been made. The location permit from Zadar competent authority has been granted and the construction permit is being issued.

The Environmental Study has been approved by the Ministry of Environmental Protection and the relevant Resolution on Acceptability issued.

The concept, main and detailed designs for Wellness and Health Center access have been completed.

PLANNED ACCOMMODATION CAPACITIES

The adopted program scheme, in accordance with relevant zoning plans, anticipates building of a tourist complex T2, consisting of:

A FOUR STAR HOTEL, capacity 580 beds in 273 rooms (66 single and 207 double rooms) and 25 suites (17 junior, 8 senior), with a congress centre capacity 300 persons, bars and restaurants, curative/rehab facilities, wellness/spa, outdoor/indoor pools and an underground garage capacity 245 PGM,

VILLAS zone north of the hotel with a capacity of 148 beds in 40 units (12 three-bed and 28 four-bed),

VILLAS zone south of the hotel with a capacity of 106 beds in 28 units (6 three-bed and 22 four-bed),



SPORTS FACILITIES with a catering establishment including outdoor pools, children's playground and two beach volleyball grounds.

ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2011): **8,302 EUR**

Unemployment rate (2013): **22.5%**

Average gross monthly salary: **958 EUR**

Average gross salary in the sector (tourism): **952 EUR**

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PRIVATE PROJECTS

INDUSTRY SECTOR PROJECTS

Banko
Meat Production and Processing Facility
Solvis
Strategic Plan (Benkovac)
Strategic Plan (Županja)

PROJECT DESCRIPTION

The Banko vane machine essentially represents a new way of greatly improving the performance of vane machines in any product application based on vane machines. Furthermore, the likely cost of the Banko vane machine is no greater than existing units available on the market.

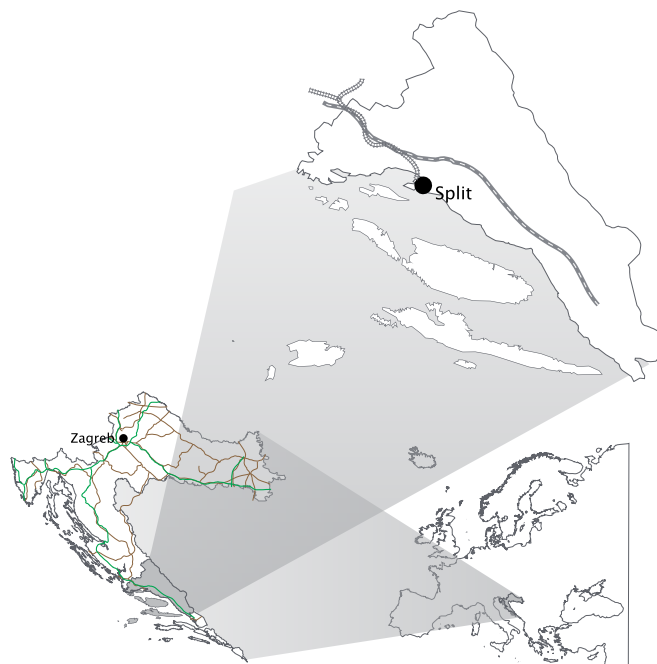
Coupled with its greatly improved efficiency it will lead to a quick payback period for companies that choose to either gradually replace their stock of existing machines and/or add new product lines. The Banko vane machine will allow companies owning and operating these units to increase their bottom line. It is important to note that the improved performance of the Banko vane machine, already been proven in pneumatic grinders, may be applied in all other vane machine applications including pneumatic tools, compressors, expanders for hydrogen fuel cells, pumps (especially vacuum pumps), starters for large diesel engines and compressors for air pre compression in internal combustion engines (i.e. superchargers).

Development of the compressor prototype should be completed during 2014, at which time testing will begin. By the end of the testing phase, it is expected that the following predictions regarding the Banko Compressor's performance will be confirmed:

1. Doubling of the operational lifecycle
2. Consistent working efficiency throughout its whole life cycle
3. Superior efficiency compared to any other compressor available today

TECHNOLOGICAL ADVANCEMENT

Vane machine technology has been unchanged and unimproved for more than half a century. The volumetric and mechanical losses currently experienced by classic vane machines have largely been overcome. This has been achieved via introducing the concept of both stationary and rotating cylinder parts enabling improved charging and discharging of the working media and reduced wear of the radial vane surfaces, rotating lateral parts which rotate jointly with rotor improved mechanical efficiency, and reduced wear on the lateral 2 side of the vanes, improved sealing resulting in reduced maintenance requirements, improved reliability and lifetime performance.



Banko is seeking to find partners and investors who would join their team to market and manufacture the world's most efficient compressor based on the proven and patented Banko Vane Machine technology that makes the world more efficient.

The combined effects of the technical improvements have resulted in a dramatically improved power efficiency of the Banko vane machine conservatively recorded at ~ 30% to 50% (with optimal results in the ~ 80% to 100% range) compared to other machines of similar size. These impressive results have been confirmed via testing on a Swiss made eddy current dynamometer Magtrol 2WB65 machine and by customers on the market. All products are built and produced in accordance with the ISO 9001:2008, machinery directive and highest safety requirements to fulfill EC declaration of conformity and all existing standards for the pneumatic grinder line.

INNOVATIVE LEADER IN INDUSTRY

The Banko vane machine supersedes current rotary vane technology making all current vane machine technology increasingly obsolete. In addition, the Banko vane machine in air compressors outperforms alternative technologies which include reciprocating piston, rotary screw, rotating centrifugal etc. With the rights to these patents, the manufacturer of air compressors or pneumatic tools can greatly improve the product and gain market share at

the expense of competitors. The Banko vane machine's potential was recognized by the Government of Croatia's wholly owned business innovation development company, BICRO Ltd (the Business Innovation Center of Croatia). Following a competitive process, BICRO Ltd awarded start-up funding to Banko in project development. This new technology with several product applications is protected by patents.

ENVIRONMENTALLY FRIENDLY

The lubricant/oil free nature of the Banko vane machine has increased environmental acceptability as there are fewer pollutants emitted by the Banko vane machine installed in air compressors. Furthermore, there will be quite possibly an indirect contribution to a reduction in carbon emissions (insofar as electrical energy is powered by fossil fuels) as less

electrical energy is required to power these units for the same work output. As an indication of the reduced amount of electricity this new vane machine requires, if every air compressor in use today employed a Banko vane machine, global consumption of electrical power would be reduced by 1% to 1.5% (~ 233 TWh)

BANKO PNEUMATIC GRINDER

The Banko vane machine is used very successfully in one of Banko's current products, the pneumatic grinder. The Banko pneumatic grinder with vastly superior performance to its competitors is Banko's "flagship" product and is produced at its manufacturing facility in the City of Split, Croatia.

- Banko pneumatic grinder provides 60-100% faster grinding at the right speed with high-speed material removal which improves production rates and allows new levels of productivity.
- Banko pneumatic grinder provides 100% total lifetime work with low maintenance costs.
- Banko pneumatic grinder provides much less insensitivity to variation of the pressure in the air hose.
- Banko pneumatic grinder provides grinding with much less vibration due to grinding of the accessories at the right speed.
- Banko pneumatic grinder provides oil-less production which enables clean surface and more environmentally friendly operation.
- Banko pneumatic grinder is ergonomically shaped for less operator fatigue and easy control.
- Banko pneumatic grinder offers a competitive price with high energy efficiency.



CONTACT

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MEAT PRODUCTION AND PROCESSING FACILITY, Sisak

PROJECT DESCRIPTION

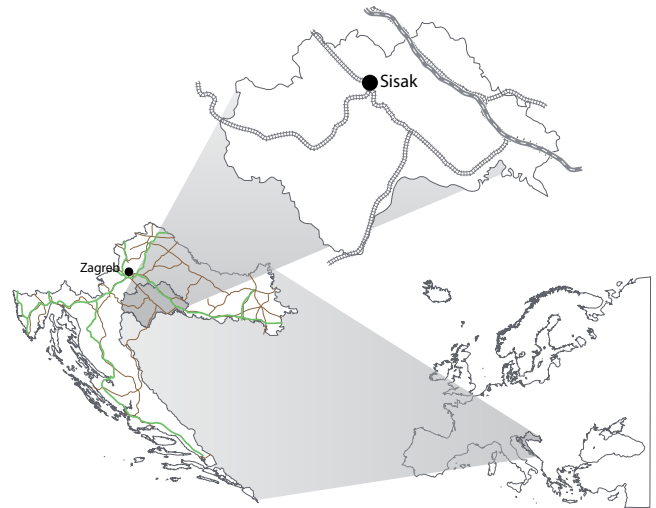
The goal of this project is to invest in construction and equipping of new slaughtering and meat production facilities in the South industrial zone in Sisak. With the construction of new slaughtering facilities, the existing slaughterhouse will be closed down. Investment in this project will ensure the construction and equipping of a construction unit of a total area of 2,629 m². In accordance with the existing legal provisions, the new slaughtering facilities will be licensed as objects engaged in:

- slaughtering and cutting of cattle, sheep and pig livestock
- manufacture of processed meat products – sausages, bacon, smoked meat etc.

Projected daily slaughtering capacity of the new slaughtering facilities:

- 210 pigs/day (30 pigs/h)
- 35 head of cattle/day (5 head of cattle/h)
- 5t processed meat products/day – 70% pasteurized, 30% dried meat

The funding of this project will ensure that the existing trade business meets business standards equivalent to the community standards, which will help it achieve business sustainability and compete adequately in the open EU market.



INVESTMENT TYPE

The Project holder is looking for a strategic partner.

ESTIMATED INVESTMENT VALUE

3.5 million EUR for the construction and equipping of the new slaughtering and processing facilities.

TRADE BUSINESS

The Promes-Cvanciger trade business was established in 1990 in Sisak, Sisak-Moslavina County. In 1989, after spending considerable time working in the meat industry, Slavko Cvanciger (the father of the current owner) opened a trade business of selling, preparing and processing meat and meat food products in Caprag market in Sisak. In 1990 Slavko Cvanciger's son Adolf decided to join his father, turning the initial market shop into a family business.

The business's main products are fresh livestock meat and a wide range of processed meat products. In 1995 the family bought Sisak's Town Slaughterhouse, which they reconstructed in 1998, obtaining all necessary licenses and permits together with a registration number 990 issued by the Ministry of Agriculture. As the business increased

its production capacities, so did its retail network in Sisak-Moslavina County grow.

Today, the business owns 10 retail butcher shops. In addition, the business distributes its products to schools, kindergartens, restaurants and companies, as well as to hotels in the county and beyond.

The business is recognized in the market for its quality domestic livestock, as well as for its flexibility when conducting business. The production meets all HACCP standards, and the business is constantly striving to improve its business processes to keep up with the newest technologies, which is why it is necessary to invest in this new development project.

CURRENT PROJECT STATUS

The Promes-Cvanciger trade business is the owner of project land. The project is in a high stage of readiness as the location permit has been obtained and the main project confirmed.

FINANCIAL DATA (in EUR:)

	2011	2012	2013
Operating income	2,226,648	2,484,085	2,631,521
Operating expenses	2,210,871	2,446,005	2,593,377
EBIT	15,777	37,979	38,144
EBITDA	106,711	87,200	78,822
Net income	10,403	30,278	29,186
Total assets	545,560	530,539	574,281
Total liabilities	896,545	676,076	659,818
Number of employees	34	40	39

CURRENT INFRASTRUCTURE AND CAPACITIES

In 1998, the business undertook a reconstruction of its slaughtering facilities, acquiring all necessary permits to operate, and therefore received the registration number 990 issued by Croatian Ministry of Agriculture. Since then, it has worked in the existing facilities with the following slaughtering capacities:

- 20 pigs/hour
- 3 head of cattle/hour
- 1t processed meat products/day



SISAK-MOSLAVINA COUNTY

Population (2011): **172,439**

GDP per capita (2011): **8,214 EUR**

Unemployment rate (2013): **34.8%**

Average gross monthly salary: **936 EUR**

Sisak-Moslavina County is the third largest county in Croatia with an area of 4,468 km², covering 7.89 per cent of Croatian territory. 39 entrepreneurial zones are planned

to be built in the county area, 10 of which are entirely or nearly completed and equipped with the necessary infrastructure.

The most important production sector is processing industry, which includes food production industry, wood processing industry, production of refined oil products, manufacture of metal and metal products, manufacture of chemicals and chemical products, etc.

CONTACT

Promes-Cvanciger, Butcher's trade business

Zeleni brijeg bb, 44 000 Sisak,

Contact person: Mr Adolf Cvanciger,

e-mail: promes-cvanciger@sk.t-com.hr, tel: +385 44 570 367, +385 91 4004 555, fax: +385 44 571 984

SHORT PROJECT DESCRIPTION

SOLVIS is a photovoltaic modules producer based in Croatia, City of Varaždin. Our geographical, technological and commercial diversification, our solid asset base – the skills of a team of 80 professionals with unprecedented know-how in the sector, and the competitive advantage of having our own PV solutions are just some of the differentiating features that strengthen our position in the market. The production capacity is easily expandable as SOLVIS has sufficient surface to double its capacity. Current production capacity is 2 x 30 MW a year.

Solvis is present on the global market from 2009 with dedication to produce environmentally friendly and affordable source of energy taking greater responsibility for the well-being of the planet. Our products are the result of our own product development and research. With sustained investment in human resources, equipment and research and development, Solvis established competitiveness of the company on the global market. Production is based on strict quality control criteria and the usage of top quality raw materials obtained from the leading producers in the world. Our products have a fifteen-year warranty on quality and a 25-year limited warranty on output power. We work closely together with customer to come up with the best solution that will work providing innovative system integration services. Almost 50% of all installations in Croatia are done with SOLVIS products. So, there is a significant experience with turnkey solutions as well.



TRANSACTION MODEL

Capital increase or equity financing.

QUALITY ASSURANCE PROGRAM

SOLVIS production has been certified in quality management, environmental management and health and safety management.

SOLVIS modules are certified according to IEC EN 61215 & 61730 and Solvis holds also PV Cycle certificate for end of life module recycling. We have received international

certifications for our quality assurance program, which we believe demonstrates our technological capabilities as well as instil customer confidence.

The company will use new funding to accelerate growth primary through expansion of its capacity.

CUSTOM DESIGNED MODULES

The range of Solvis standard products is wide, and they are basically divided into two designs: the polycrystalline version and the monocrystalline version. Modules are available in 36, 48, 60 and 72 cells versions.

As speciality, Solvis is one of only few companies in Europe manufacturing special and custom designed modules with different power, cell, backsheet or frame color. This is very important regarding the EU - China solar panel dispute, and duties and export cap that EU imposed on Chinese solar panel makers because of their dumping prices.

Special products such as glass-glass modules, Solrif modules for building integration replacing conventional roof covering of pitched roofs, are unconventional approach in finding new methods which are different from the current industry standards. Special dimensions and size, as well as specially cut glass are some of the fine details which separate these products from others available on the market. SOLVIS can also offer to customer made in Europe modules as OEM production with customers brand by doing a short co-licensing procedure with certification body.



Custom designed modules

CONTACT

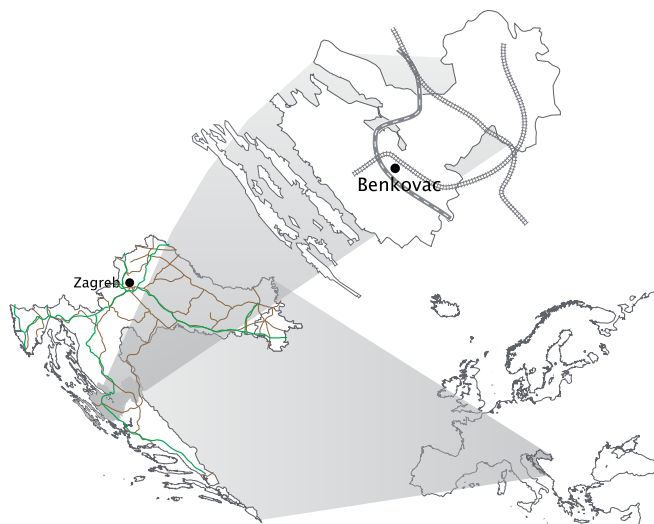
HAMAG BICRO- Croatian Agency for SMEs, Innovation and Investments, www.investcroatia.hr,
e-mail: investments@hamagbicro.hr

Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamagbicro.hr

PROJECT DESCRIPTION

Strateški plan Ltd. (Strategic Plan) is a company specialized in development and management of renewable energy and cogeneration power plants projects. Currently, it is developer and investor in two biomass energy plants and two pellets factories of equal capacities at the location of Croatian cities Županja and Benkovac. For the purpose of greenfield pellets projects, Strateški plan Ltd. established special purpose vehicles (SPVs) - Peleti Županja Ltd. and Peleti Benkovac Ltd.

The project includes the construction and implementation of pellets factory with the capacity of 6 tons of pellets per hour. Total annual production of pellets is estimated at 45,000 tons. Annual quantity of raw material (wood logs and chips) needed for estimated pellets production is 71,000 tons.



PELLETS

Pellets are used in specially adopted stoves and boilers for production of thermal energy. Pellets are biofuel produced from chipped trees (renewable energy source) with the following characteristics:

- Length: max 4 cm
- Diameter: 6-8 mm
- Humidity: 8-10%
- Specific gravity: 1-1.4 kg/dm³
- Percentage of ash content: 0.5%
- Weight by volume: 650 kg/m³
- Calorific value: 4.9 kWh/kg – 20,223 kJ/kg



INVESTMENT VALUE

The investment value is 5.5 million EUR.

GROWING MARKET AND SECURE RAW MATERIAL & ENERGY SUPPLY

Pellets market research led to the conclusion that pellets demand is growing and that total quantity of produced pellets can be exported at the price of EUR 150 per ton, FCA pellets factory. The investor has secured the construction land, located next to cogeneration energy plan which will supply pellets factory with clean thermal energy at competitive prices. Estimated power of heat

needed for pellets factory is 5.9 MW with 7,500 working hours p.a. A long term heat supply will be agreed for a period of 14 years. Peleti Benkovac has already signed the contract for raw material (wood logs and biomass) supply with the company specialized in wood logs and wood biomass trade. Project developer also signed letter of intent for selling the whole produced quantity of pellets.

LOCATION

Pellets factory will be located in business zone Šopot, north of the A1 motorway route node Benkovac, 15 km away from Zadar in southern part of Croatia.

The construction land was purchased in 2008 and is intended for construction of production, commercial and business facilities. It is fully equipped with utilities and other infrastructure and the investor owns the necessary location permit.

THIS LOCATION IS VERY CONVENIENT FOR SEVERAL REASONS:

- It will be placed next to a biomass cogeneration plant which will supply pellets factory with thermal energy at competitive prices.
- Since it will be very near to the power plant, the costs of heat transmission will be minimal.
- The location is very well connected to railway and motorway with the raw material and pellets market.

TECHNOLOGY

PELLETS FACTORY CONSISTS OF FOLLOWING TECHNOLOGICAL UNITS:

- Technology unit for receipt, handling and processing of fuel (wood logs and biomass)
- Technology unit for fuel drying (wood biomass drying)
- Technology unit for dry chips (biomass) grinding
- Technology unit for pellets production
- Technology unit for final product packing

Technology providers of main components are reputable companies CPM (California Pellet Mill) and Stela. Stela will provide technology unit for raw material drying, called Belt dryer. CPM will provide other technology units. Construction works, engineering and designing will be done by Croatian

companies. Project developer will sign EPC contract with the company who will be responsible for pellets factory construction. Construction is planned to be performed as a "turnkey" system.

CONTACT

HAMAG BICRO- Croatian Agency for SMEs, Innovation and Investments, www.investcroatia.hr,
e-mail: investments@hamagbicro.hr

Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamagbicro.hr

PROJECT DESCRIPTION

Strateški plan Ltd. (Strategic Plan) is a company specialized in development and management of renewable energy and cogeneration power plants projects. Currently, it is developer and investor in two biomass energy plants and two pellets factories of equal capacities at the location of Croatian cities Županja and Benkovac. For the purpose of greenfield pellets projects, Strateški plan Ltd. established special purpose vehicles (SPVs) - Peleti Županja Ltd. and Peleti Benkovac Ltd.

The project includes the construction and implementation of pellets factory with the capacity of 6 tons of pellets per hour. Total annual production of pellets is estimated at 45,000 tons. Annual quantity of raw material (wood logs and chips) needed for estimated pellets production is 71,000 tons.



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- Weight by volume: 650 kg/m³
- Calorific value: 4.9 kWh/kg – 20,223 kJ/kg



INVESTMENT VALUE

The investment value is 5.5 million EUR.

GROWING MARKET AND SECURE RAW MATERIAL & ENERGY SUPPLY

Pellets market research led to the conclusion that pellets demand is growing and that total quantity of produced pellets can be exported at the price of EUR 150 per ton, FCA pellets factory. The investor has secured the construction land, located next to cogeneration energy plan which will supply pellets factory with clean thermal energy at competitive prices. Estimated power of heat

needed for pellets factory is 5.9 MW with 7,500 working hours p.a. A long term heat supply will be agreed for a period of 14 years. Peleti Županja has already signed the contract for raw material (wood logs and biomass) supply with the company specialized in wood logs and wood biomass trade. Project developer also signed letter of intent for selling the whole produced quantity of pellets.

LOCATION

Pellets factory will be located south of the Županja junction. The land is intended for construction of production, commercial and business facilities and is located in the centre of the industrial zone.

The construction land is fully equipped with utilities and other infrastructure. Land purchase was executed in 2009.

THIS LOCATION IS VERY CONVENIENT FOR SEVERAL REASONS:

- It will be placed next to a biomass cogeneration plant which will supply pellets factory with thermal energy at competitive prices.
- Since it will be very near to the power plant, the costs of heat transmission will be minimal.
- The location is very well connected to railway and motorway with the raw material and pellets market.

TECHNOLOGY

PELLETS FACTORY CONSISTS OF FOLLOWING TECHNOLOGICAL UNITS:

- Technology unit for receipt, handling and processing of fuel (wood logs and biomass)
- Technology unit for fuel drying (wood biomass drying)
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- Technology unit for pellets production
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Technology providers of main components are reputable companies CPM (California Pellet Mill) and Stela. Stela will provide technology unit for raw material drying, called Belt dryer. CPM will provide other technology units. Construction works, engineering and designing will be done by Croatian companies. Project developer will sign EPC contract with

the company who will be responsible for pellets factory construction. Construction is planned to be performed as a "turnkey" system.

Pellets factory project is in the stage of location permit acquiring.

CONTACT

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Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamagbicro.hr

PRIVATE PROJECTS

ENERGY SECTOR PROJECTS

**Biodiesel Production
Biogas Plant - Trpinja I
CCPP 600 Slavonski Brod**



BIODIESEL PRODUCTION

PROJECT DESCRIPTION

The project involves the construction of a production plant / facility for the production of biodiesel in the north of Croatia. The capacity of this facility will be approximately 20,000 MT per year. Equipment has been designed to produce biodiesel well within EN 14214 specification. The plant is able to use wide spectrum of feedstock (crude rapeseed oil, palm oil, soya oil, jatropha oil, used cooking oil etc.), since oil pre-treatment is possible. Also, glycerol purification system has been designed to purify glycerol up to 85% minimum. So far, approximately 3.9 million EUR has been invested in this project and the project holder has finished the following:

- required modifications in industrial hall
- 50% of construction works in storage hall
- 40% of the equipment is on location, 40% in customs warehouse, 20% is ready for delivery.

Overall project was designed and specified by experts in designing biodiesel facilities. Biovalue Ltd. is the owner of the overall technology.

Along with production facility, the plant will also have additional flexible storage capacity:

- 400 m³ for feedstock
- 300 m³ for biodiesel
- 100 m³ for glycerol

This plant will have three stages of operation:

1. Degumming and neutralization of oil
2. Transesterification
3. Glycerol purification

KPMG was hired to provide new business plan which was done in February 2012 and is available to interested parties.



ESTIMATED VALUE

The total value of the project amounts to 5.9 million EUR. The project holder is looking for additional investment of approximately 2-4 million EUR in order to finish the project.

KPMG analysis (HRK '000):

Year	2014	2015	2016
Sales profit	51,985	171,178	220,177
Cost of raw material	(39,032)	(128,524)	(165,314)
EBIT	6,628	29,625	39,503
EBITDA	9,197	33,020	44,133
Gross profit I	12,954	42,654	54,864
Number of employees	11	19	19

PROJECT STATUS

The overall project can be finished within 3 months since most of the equipment is on site or finished and waiting for delivery. The project has all the necessary documentation for its implementation:

- Feasibility study;
- Environmental Impact Assessment Study;
- Technical documentation;
- Location permit;
- Building permit.



TRANSACTION MODEL

The project holder is looking for investor.

VARAŽDIN COUNTY

Population (2011): **175,951**

GDP per capita (2011): **8,285 EUR**

Unemployment rate (2013): **16.9%**

Average gross monthly salary: **806 EUR**

Varaždin County is located in Northwest Croatia and represents the central transportation corridor that connects the Central Danube to the Adriatic. It is at the heart of the Zagorje Route, which traditionally has linked Northwest Croatia to Slovenia and Hungary.

The County's economy is based on trade, food processing industry, construction and agriculture, with the most important markets in Germany, Italy, Slovenia, Austria and the Netherlands. It has a well-developed ICT sector with over 120 different ICT companies. The Tech Park Varaždin

houses 25 ICT, marketing and R&D companies. There is one free zone, and a number of business and SME zones.

The County has recently introduced a number of measurements and activities in order to stimulate investments and economy. Adoption of City of Varaždin development strategy, improvement of a business climate, building of necessary infrastructure and encouraging the development of new technologies resulted in recognition of Varaždin County as a highly desirable investment destination.

CONTACTS

Croatian Chamber of Economy, Investment Promotion Section;
www.hgk.hr, www.investincroatia.hr, e-mail: investicije@hgk.hr
Ms Silva Stipić Kobali, Head of Section

Biovalue Ltd., Mr Ivica Šprem, e-mail: ivica.sprem@ogv.hr, tel: +385 98 213 406



BIOGAS PLANT - TRPINJA I

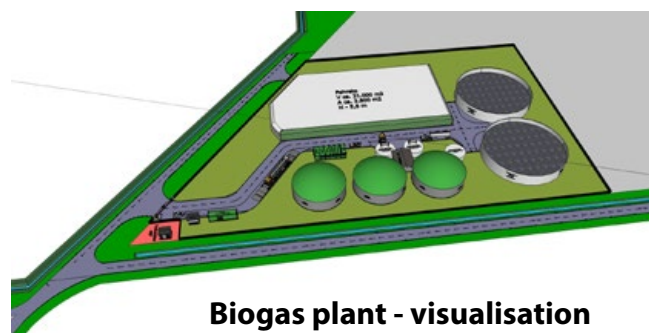
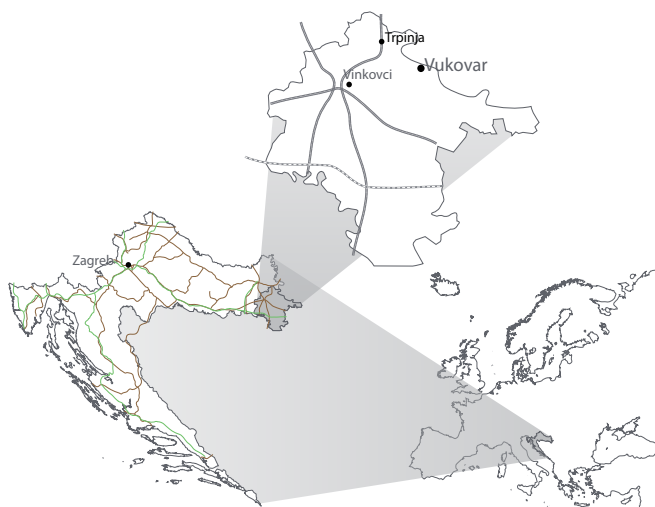
Vukovar-Srijem County

PROJECT DESCRIPTION

The project involves the construction of 1MW biogas power plant in the Eastern part of Croatia, Vukovar-Srijem County for production of electrical energy and heat. In first years of its operation, the plant will run on manure and maize silage. Afterward it will gradually change the source of operation to fuels from the remains of the food-processing industry.

The raw material will be supplied by the local farmers whose agricultural lands are located in the surrounding areas. Manure will be provided by the farmers, and maize silage will be obtained where appropriate. Raw materials ferment in biogas reactors, after which they are stored until the fertilizing season. Liquid fermented substrate will be delivered to farmers that have contracts for the supply of manure and maize silage. It will be supplied from tanks directly to cistern and will be used on agricultural lands as valuable fertilizer.

Biogas will be stored in foil tanks above the fermenters, and it will be used in cogeneration aggregate for the production of electrical energy and heat. Electrical energy will be sold to local electricity supplier HEP Plc., and the additional heat will be used as energy for additional processes in the biogas power plant, while remaining heat will be used for heating of the plant premises.



CAPACITIES

Facility size	Fermentor	Final storage	Silo for maize silage
Gross floor area m ²	415.26	1,133.54	3,800
Capacity	2,600 m ³	7,400 m ³	20,000 t/year

LOCATION DESCRIPTION

The project is located in the Eastern part of Croatia, Municipality Trpinja, 12 km from the City of Vukovar.

The lot size is 18,660 m² and is located 100 meters of air distance from the state road D2 (the main state road in the Northern Croatia, connecting the country with Slovenia on the West and Serbia on the East). The power plant location is a part of the construction zone owned by Trpinja Municipality which is intended for economic projects. There are additional 33,947 m² of construction land available.

ESTIMATED VALUE

Total estimated value: 3.7 mil EUR.

TRANSACTION MODEL

Looking for investor or strategic partner/ project sale.

Company name: **Relaxo Ltd.**
Address: **31300 Beli Manastir, Franca Liszta 23, Croatia**
Website: **www.relaxo.hr**

PROJECT STATUS

The project is in an advanced development stage and it might be finished within 7 months upon securing funding e.g. after finding a strategic partner/ investor. The following project preparatory work has been completed:

- ✓ Building permit
- ✓ Contract for accession to the power grid with HEP Plc. (national electricity company)
- ✓ Signed agreement for access road and water connection with Trpinja municipality (Final building permit)
- ✓ Obtaining a preliminary decision on the status of eligible electricity producer in progress
- ✓ Clear title property

The subject land is owned by Trpinja Municipality that has conferred the right of construction of the biogas plant on the land to the company Relaxo Ltd. according to the Contract on establishing the right of construction. The right of construction is valid for the next 20 years under the agreed fee. The project is exempt from communal contribution fee by the Municipality of Trpinja.

VUKOVAR-SRIJEM COUNTY

Population (2011): **179,521**

GDP per capita (2011): **6,217 EUR**

Unemployment rate (2013): **35.8%**

Average gross monthly salary: **878 EUR**

Vukovar – Srijem County is situated in the Eastern part of Croatia, between the rivers Danube and Sava, bordering with Serbia in the East and Bosnia and Herzegovina in the South. Due to its geographic location, the County represents important international traffic road and rail routes intersection from the east towards the west next to the Danube river and from the north over the Sava river towards the Adriatic Sea. Three Pan-European international corridors pass through the county, making it an essential part of major European transport routes: Corridor VII – the international fluvial route of the Danube river; road and railway Corridor X which connects Western and Eastern Europe, road and railway Corridor Vc connecting Western Europe with the South Adriatic. In addition, important energy corridors cross the County ensuring the distribution, supply and efficient use of electric energy, gas and thermal energy.

The local countryside is mainly flat and the County has 150,000 ha or 62% of total land area of extremely fertile soil.

Hence, the primary sector has higher share in the county's economy compared to Croatian average. Grain production is taking the most significant part with a share of 75% of the surface while other cultures such as oilseeds, sugar beets, fodder plants, tobacco and other take 25% of the total surface. Great wealth consists of preserved ancient forests covering an area of 70,000 ha with high quality wood such as oak. Manufacturing industry has great significance, accounting for 31% of total turnovers of the County with long tradition especially in food processing and wine industry, textile and leather industry, wood industry.

The administrative, economic, cultural and educational centre is the City of Vukovar. Located in the very East of Croatia, it is the most important Croatian city and river port on the Danube. The opportunities provided by the important European waterway Danube represent excellent platform for transforming the city of Vukovar into an important economic centre.

CONTACTS

Croatian Chamber of Economy, Investment Promotion Section;
www.hgk.hr, www.investincroatia.hr, e-mail: investicije@hgk.hr
Ms Silva Stipičić Kobali, Head of Section

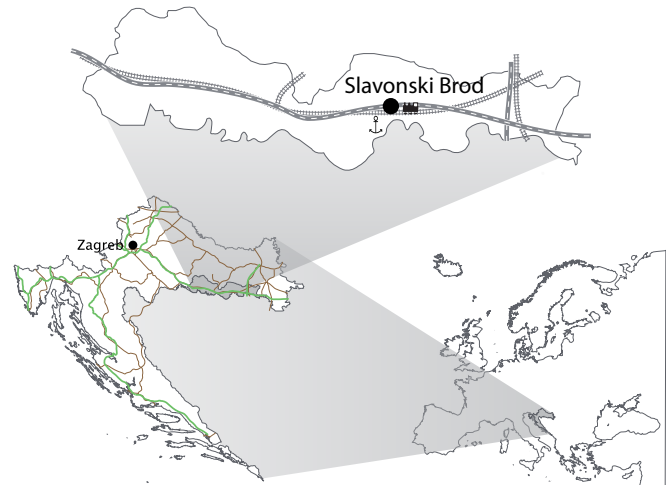
Relaxo Ltd., Mr Igor Popović, Director, e-mail: igor@relaxo.hr

PROJECT

Project includes a greenfield construction of 600 MWe combined cycle gas power plant near city of Slavonski Brod (CCPP Slavonski Brod). Net efficiency of electricity production of the plant is up to 61% and maximum overall efficiency is approximately 68%. Estimated value of investment is 450 million EUR.

COMPLETED ACTIVITIES:

- ✓ Preparatory studies
- ✓ Prefeasibility study
- ✓ Conceptual and basic design
- ✓ Building plot procured (concession contract for 35 years)
- ✓ Location is equipped with utilities and infrastructure
- ✓ Environmental impact study and technical-technological solution
- ✓ Provisional authorization for connection to electrical power system obtained
- ✓ Decision on project eligibility for environment and decision on integrated environmental protection requirements obtained from Ministry of Environmental and Nature Protection (Environmental permit)
- ✓ Special requirements obtained
- ✓ Location permit obtained from Ministry of Construction and Physical Planning



CURRENT ACTIVITIES:

- Gas supply, electricity and services sales, business, investment and financing model
- Construction model, tender preparation, suppliers selection, contracting and construction works commencement

TRANSACTION MODEL

CRODUX ENERGETIKA Ltd., a 100% privately owned company, is looking for potential financial/strategic investors and partners to enter the project by acquisition of certain amount of the company's shares. Inclusion of other investors after the final investment decision.

INVESTMENT OPPORTUNITY

Annual electricity production capacity of the power plant is 4.8 TWh (92% expected availability), which is about 30% of the total consumption in Croatia. The power plant will offer electricity, ancillary services, balancing energy for electrical power system as well as for gas system and thermal energy on the market.

Most of the open energy market participants are often not able to realize projects like this one by themselves. Therefore, there is a potential and possibility for joint venture of investors and market participants in order to provide the production capacities with necessary characteristics within the energy system and market, and simultaneously minimize risks for all involved parties.

Investors and project participants have opportunity for profit from sales of broad portfolio of products that CCPP Slavonski Brod can offer on open energy market in the EU and Energy Community.

The investment is approximately €450 mil., whereof 30% of own funds are provided by the founders in the company's equity (equity shareholders) and 70% from financial market by long-term debt. The financial investment return is expected in the ninth year of life and the internal rate of return is 8%.

Financial success is achieved throughout the estimated period of the project, generating future positive cash flows satisfactorily and fulfilling all financial obligations within the planned life of the project. Investment is therefore justified because it guarantees to the investors maintaining of a long-term financial stability, strengthening and increasing of its financial power, successful business and appropriate profit.

Indisputably, all research and analyses conducted by the developing Company confirm that such power plant is needed and necessary in the energy market.

PROJECT DESCRIPTION

CCPP Slavonski Brod is energy project in accordance with Energy Development Strategy of the Republic of Croatia as well as Spatial Planning Strategy of the Republic of Croatia and Spatial Planning Programme of the Republic of Croatia. CCPP Slavonski Brod, due to its characteristics, contributes to security of electricity supply, increase of reserves and stability of electric power system (EPS) and development of energy market. Primary purpose of CCPP Slavonski Brod is electricity production for energy markets of Croatia, South East Europe region and European Union, as well as providing services to EPS. Its secondary purpose is production of thermal energy and industrial steam.

Plants flexibility and dynamic stability is in line with requirements of today's EPS. EPS requires fast, flexible and efficient power plants of sufficient capacity, such as CCPP Slavonski Brod, which can contribute with their products and services to reliability and stability of EPS operation and its regulation and control capabilities. The latter is especially significant due to increase of electricity production from power plants using renewable energy sources.

The project is based on the state-of-the-art technology of the world's leading equipment manufacturers, which attains and ensures competitiveness of the power plant as well as its minimum impact on environment. Location of CCPP Slavonski Brod, set in Slavonski Brod Port Authority

area, is carefully examined and researched, fully equipped by relevant infrastructure (waterway, road, railroad, public water supply and drainage, main gas pipeline, electric power transmission system) and ready for construction.

This power plant has exceptionally positive effect on the stability of electricity supply in Croatia, in particular eastern Croatia and Slavonia, as well as South East Europe region in general. Since existing electricity production capacities in Croatia are not competitive in open electricity market, Croatia imports approximately 30% of its electricity demands. In dry season and during peak load hours the electricity import reaches 70% of Croatian demands.



GAS SUPPLY

CCPP Slavonski Brod is fuelled by natural gas, the only currently available and accessible indigenous energy source in Croatia. More than 70% of Croatian natural gas needs are covered from local production and estimated reserves of this energy source in Croatia are sufficient for its long-term supply with natural gas.

Security of gas supply is guaranteed by good connectivity of gas transport system by interconnections with adjacent countries' gas transport systems and connections to main gas supply corridors.

ENVIRONMENTAL PROTECTION

In accordance with principles of sustainable development, the best available technology and natural gas as a fuel have been selected and the strictest criteria of environmental and nature protection in accordance with EU legislation have been applied, which ensures that this project contributes to the improvement of the environment.

Space for managing future carbon capture and storage requirements has been reserved within the power plant location.



CONTACTS

Crodux Energetika Ltd., e-mail: info@crodux-energetika.hr

Center for Monitoring Business Activities in the Energy Sector and Investments, www.cei.hr, e-mail: cei@cei.hr

PRIVATE PROJECTS

**HIGH-TECH
PROJECTS**

**Hipersfera
IThome**

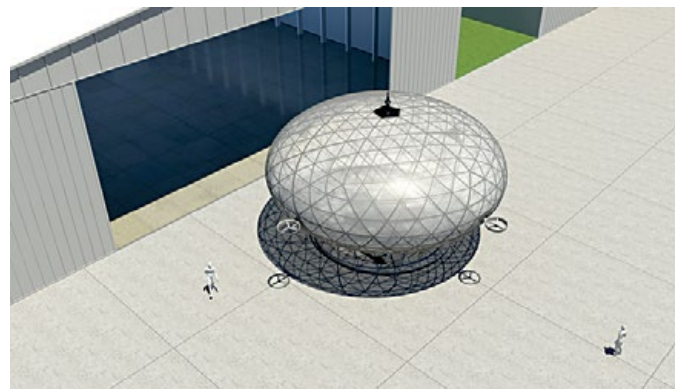
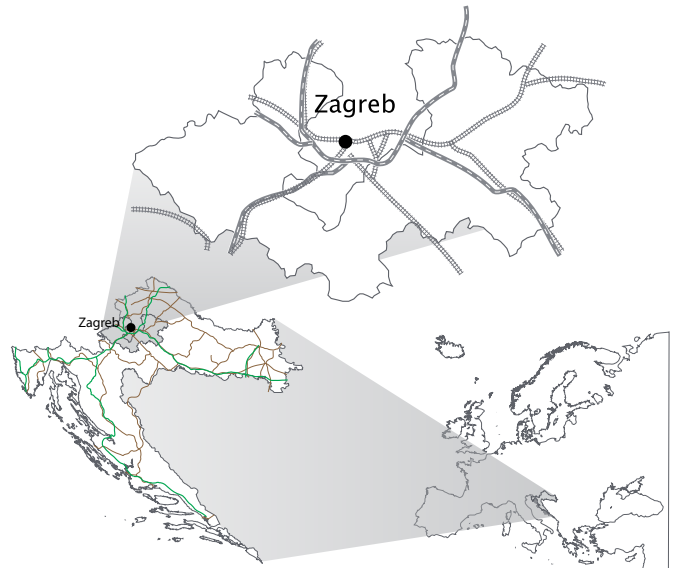
SHORT PROJECT DESCRIPTION

Hipersfera Ltd. is a startup R&D Company from Zagreb, Croatia, that is developing a Hypersphere system for continuous surveillance which represents a disruptive innovation for two major fast growing industries: unmanned aerial vehicles and remote sensing (7.3 Bn USD in 2011).

THE PROJECT IS DIVIDED INTO 2 INVESTMENT PHASES:

- The first phase (36 months) was finished at the end of 2011, with a budget of 1,200,000 EUR. The lead investor was the Croatian Government in addition to 30% provided by private investors. The purpose of the first phase was to build a scaled prototype to prove the concept. Seven independent financial and technical audits have been conducted and a fully functional 1st scale model has been built and flown for over 500+ test hours. In addition a PCT patent has been granted (WO-2012025769-A1).
- For the second phase (Hypersphere HS-5k) we are looking for an investment of 5,000,000 EUR, in order to develop the HS 5k airship (fully operational commercial platform), over a time span of 18 months.

The Hypersphere project is built around an airship as “an eye in the sky” that can continuously monitor the Earth, over particular geographical area, beating satellites and airplanes both in price and performance. Depending upon the type of payload the airship is carrying, data could be used as a traffic control tool, for border control or an early warning fire prevention system, etc.



Hypersphere HS-5k

COMPLETE TURN-KEY SOLUTION

The Hypersphere project offers a turn key solution for continuous surveillance. Hypersphere HS-5k system for continuous surveillance is comprised of a MALE UAV unmanned aerial vehicle with extended endurance (24 to 100 hours of continuous flight, depending on environmental conditions), and communication and ground infrastructure required for providing ground information in real time.

Data collected with the surveillance equipment is sent for processing to the central database, where it is available to the OPS center as well as to personnel on the ground. HS-5k system operator has complete control over the entire (encrypted) data chain, which is often not the case for surveillance systems offered by other manufacturers.

INVESTMENT VALUE

The investment value is 5 million EUR.

THE MOST COST-EFFECTIVE CONTINUOUS SURVEILLANCE SYSTEM

With per-flight hour expenses ten to fifteen times lower than other unmanned systems in the same class, the HS-5k system enables a considerable increase in profitability for use of unmanned aerial systems in public and commercial domains, as well as a significant market application

expansion. Furthermore, in the remote sensing industry the price per square kilometer for a very high resolution image (e.g. 20 cm/px) is more than 200 times higher than the production expense of the equivalent remote sensing data obtained through the HS-5k system.

HYPERSPHERE HS-5K AIRSHIP

Hypersphere HS-5k aircraft is classified as an autonomous unmanned airship of medium altitude long endurance, so called MALE UAV. It uses helium to maintain its altitude, while the attitude and position control is done via electrically driven vectored actuators. This significantly reduces overall power and energy requirements, enabling extended and very stable performance.

HS-5k airship has a payload capacity of 100 kg, which is sufficient for a sophisticated set of surveillance devices. Integrated camera systems enable human detection in optical and mIR (thermal) spectra, including reduced visibility situations. It is possible to integrate other sensor systems (mSAR, LIDAR, hyperspectral camera...) on demand. An important feature is the aircraft's availability of at least 50%. In other words, expected flight time per year is at least 4,400 hours. Availability this high (significantly higher than most UAVs on the market) is the result of modular airship design, lean fleet operations, as well as a high range of operational altitude – from 2 to 5 km above sea level. Cruise airspeed is 40 kph, while the maximum airspeed is 65 kph. Those airspeeds, in combination with a wide operating altitude range, enable airship operations throughout the year, in almost all weather conditions.

Take-off and landing is performed vertically and can be performed during rain, fog and snow, in up to 40kph wind irrespective of direction. SOP for take-off and landing requires crew of only 4 to 6, while one shift in the operative base can do up to four take-off and landings per day.



Hypersphere HS-5k Airship

Control of the airship during take-off and landing can either be automatic or performed by a remote pilot from the base. Modular design enables quick MRO cycle (service in-between two consecutive flights), uninterrupted availability of spare parts, and simple and efficient upgrade of individual subsystem. Aforementioned features are responsible for very low operative costs, less than 100 EUR per flight hour, including fuel, spare parts, human resources and other operative expenses.

HS-5k aircraft has a modern transponder MODE S/C, and can fly within the air-traffic control system (ATC) or individually. Mission Plan is given by the ground control operator, before the mission, but it can also be updated in flight, as a reaction to the situation on the ground, such as tracking of an object or subject. Expected lifespan of the aircraft, with regular and proper maintenance, is at least fifteen years.

GLOBAL MARKET

HS-5k as a tool for continuous surveillance represents a product targeting a global market, while competing in two major industries: unmanned aerial vehicles and remote sensing. The remote sensing market generated 7.3 Bn USD revenue in 2011, growing at 5.5% AAGR.

Hypersphere is capturing the value at the top end of Remote sensing industry value chain. Data collection and data processing, as processes in the value chain, constitute

66% of the market. Existing platforms, satellites and airborne platforms are main competitors of Hypersphere, generating revenues in the same part of the value chain. Hypersphere incorporates the best characteristics of satellites and airborne platforms. Being a unique, state of the art, high-tech product and taking first mover advantage, Hypersphere airship will take significant percentage of market share after being commercialised (in > 18 months), but more important, it will create new markets which do not exist at present.

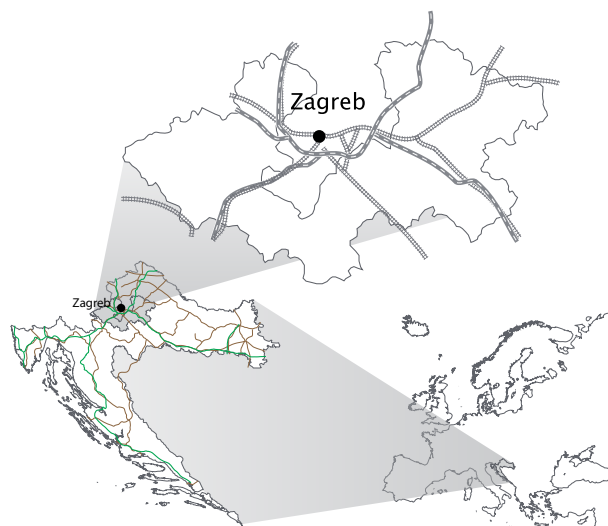
CONTACT

HAMAG BICRO- Croatian Agency for SMEs, Innovation and Investments, www.investcroatia.hr, e-mail: investments@hamagbicro.hr
Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamagbicro.hr

SHORT PROJECT DESCRIPTION

IThome system is a smart solution for energy efficient and safe homes, with an affordable price and adaptable to any user. Innovative IThome system connects and manages almost all technical systems in living space used for housing. "One click" on your mobile phone to manage your lighting, power sockets, cooling systems, heating systems, shutters, awning, and also monitor the security system. IThome equipment is based on wireless technologies, thus this solution is applicable in any type of home.

Armed with a vision and longtime experience in home automation, during 2010 Intelligent Home Ltd. started developing IThome system, which included complete development of software (IThome Cloud, Android and iOS applications) and corresponding hardware. After two years of continuous development and testing, Intelligent Home Ltd. becomes the first company in Europe that offered a "cloud based home automation" system, which is not exclusively intended for luxury homes and installation in new buildings.



TRANSACTION MODEL

Capital increase or equity financing.

SIMPLE WIRELESS INSTALLATION

IThome system can be installed in every home; it does not matter when the building was built. No construction work or changes on existing installations are required.

An additional advantage is that system is technologically based on cloud and wireless technologies, meaning that all servers are outside the user's apartment.

Modules are installed in the apartment behind selected switches in an hour, and a thermostat is connected to the power source in any room according to user's preference.

SECURITY

Prevention of unwanted situations is also characteristic for a smart IThome system, which contributes to safety of your home and carefree household.

- IThome offers home security by preventing burglary with IThome life simulation and by using IThome alarm system with sensors alert for burglary, flood, gas, fire or emergency.
- IThome life simulation sets lights or other appliances to be switched on and off randomly. So, from the outside it looks like someone is at home.
- In case of alarm user is notified with email or sms.

ENERGY SAVINGS

By using IThome system in accordance with basic rules of energy saving, you can achieve up to 30% of yearly budget savings in an average apartment. IThome system saves energy and contributes to environment protection. Energy used in offices or homes releases carbon dioxide into the atmosphere. An average household releases more carbon dioxide than an average car. IThome offers home energy savings by:

- Program heating/air-condition when needed by using IThome smart wireless thermostat
- Setup heating temperature online anytime any place
- Control of air-condition split system online and/or via program using IThome clima control
- Advanced functions IThome thermostat functions like adaptive forecast control, open window
- Set up light intensity based on needs (reducing light intensity- dimmer)
- Switching off appliances in standby mode

BUSINESS MODEL

Income is generated through subscription fee, hardware and installation. Subscription fee is also the major profit driver and depends on the type of sales channel.

Target sales channels include telecom operators, network of certified partners and online sales. Profit margins on hardware and installation are minimal. Installation is done over network of certified partners.

The company will use new funding to accelerate business expansion primary through sales and marketing activities and working capital.

TARGET SALES CHANNELS	REVENUE STREAMS	TARGET CUSTOMERS
<ul style="list-style-type: none">✓ Telecom operators✓ Network of certified partners✓ Online	<ul style="list-style-type: none">✓ Subscription fees✓ Hardware sales✓ Installation via certified partners	<ul style="list-style-type: none">✓ Mass market✓ Households✓ Smartphone users✓ People taking care about savings✓ People taking care about environment

CONTACT

HAMAG BICRO- Croatian Agency for SMEs, Innovation and Investments, www.investcroatia.hr,
e-mail: investments@hamagbicro.hr

Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamagbicro.hr

PRIVATE PROJECTS

SOCIAL CARE PROJECTS

**Nursing Home Zajčeva
Residential Care Home Oriovac
Residential Care Home Senj**

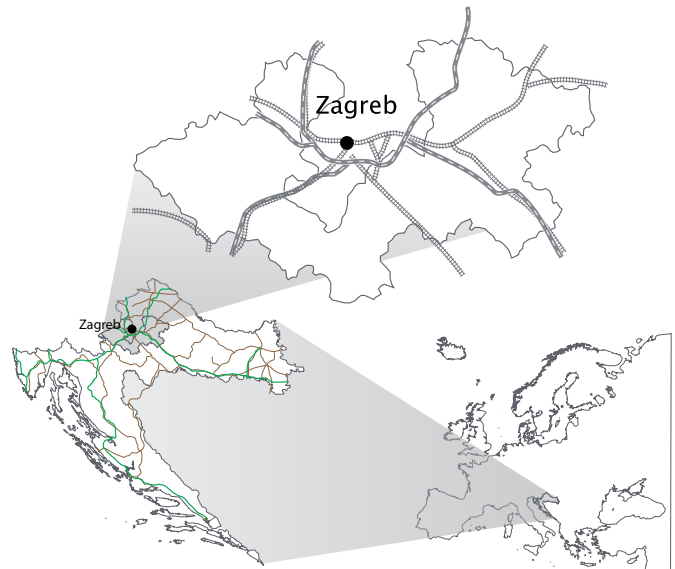
PROJECT DESCRIPTION

The project involves the construction of a high category nursing home in the City of Zagreb. It will be top-quality equipped and along with its location, it will offer its 400 users extraordinary accommodation conditions. Pursuant to its quality, this will be the first nursing home of its kind in the City of Zagreb.

The object consists of four dilatations mutually connected by an indoor corridor. Apartment units will be located on all above-ground levels. All ancillary public facilities are located in the central dilatation, including several polyclinics, wellness center, cafe/bar, restaurant, newsstand, beauty parlor/barber, etc. Technical areas and parking lots are located on the underground levels.

The object concept has taken into consideration the existing ambient, environment and terrain on which it is located. The nursing home also provides medical assistance, nursing and rehabilitation treatments to maintain and improve the general health of the elderly people.

The home for the elderly may accept older persons needing help of various nature (behavior disorders, major sanitary purposes associated with great need for assistance, moderate and severe disabilities).



The project is located near two state hospitals, on the southern slope overlooking the city, at the bus line, 200 meters from the tram line and about 900 m to the city center.



PROJECT STATUS

The project is in a high stage of readiness and location permit is obtained.

TRANSACTION MODEL

The Project holder is looking for an equity partner up to 9 million EUR.
Total estimated value of the project is 30 million EUR.

PLANNED FACILITY



FACILITY SIZE:

- Gross floor area: 15,999 m²
- Ground floor size: 2,685 m²
- Number of levels: 8
- Total land area: 6,478 m²
- Number of underground parking lots: 102

CITY OF ZAGREB

Population (2011): **790,017**

GDP per capita (2011): **18,503 EUR**

Unemployment rate (2013): **10.8%**

Average gross monthly salary: **1,250 EUR**

The City of Zagreb is the capital and the biggest city in the country. It is a cultural, scientific, economic, political and administrative centre with the seat of the Parliament, the President and the Government of the Republic of Croatia, located at the intersection of European traffic corridors (Vb and X Pan-European highway corridors as well as Va and X railway corridors).

According to the results of 2011 Census, Zagreb has 790,017 inhabitants, which represents around 18% of total population of Croatia. It has dominant economic, financial and political status in the Republic of Croatia, and accounts for approx. 37% of Croatia's total exports, 60% of Croatia's total imports and 53% of total revenues.

There is a predominance of service activities (especially wholesale and retail commerce) which participate with 38% in the total revenues. However, primary and secondary activities are developed as well, primarily processing industry (production of electric machines and devices, chemical, pharmaceutical, textile, food processing). The largest

number of enterprises is in trade, followed by scientific and technical services.

As a tourist, business and administrative centre, the City of Zagreb achieved 876,604 guest arrivals in 2013, with approx. 1.5 million overnight stays, of which 79% by foreign visitors. The overall accommodation capacity is cca 11,000 beds, most of them in hotels (65%). The hotel sector includes 49 hotels with 3,727 accommodation units; however, there are only three hotels with 5-star and 16 hotels with 4-star categorization.

A wide range of education institutions is concentrated in the City of Zagreb: in addition to the University of Zagreb with a tradition since 1669, which includes 29 faculties, 4 academies, a university centre of Croatian studies and a number of institutions of higher education, there are 12 private faculties and institutions of higher education.

CONTACT

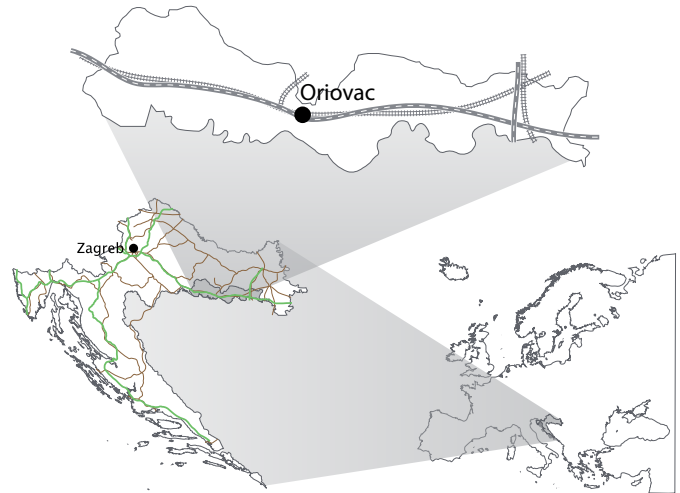
Conlibera Ltd.

Contact person: Mr Dragan Tomljenović, e-mail: lujdoo@gmail.com

PROJECT DESCRIPTION

The Project includes construction of a home for senior citizens (Residential Care Home) for 150 users, which will, in addition to accommodation, offer the following services: catering, personal hygiene service, health care, nursing care, psycho-social rehabilitation, etc. The Home can also serve as a shelter for adults and daytime residence with a possibility to offer nursing care services for external users.

There is an additional development potential within the Project, such as the preparation and delivery of food as well as laundry service to external users (schools, companies, hotels), and a possibility of installing solar panels and solar photovoltaic cells in order to reduce costs.



LOCATION

The project is located in Radovanje, municipality of Oriovac, Brod-Posavina county. The municipality is of a special state concern. The comparable advantages of a chosen location include good traffic connections (8 km to Zagreb-Lipovac Highway, 17 km to the nearest hospital in Slavonski Brod, 160 km to the City of Zagreb), and a tradition of medical tourism in the wider region (Slavonia).

TRANSACTION MODEL

Potential investors are offered partnership and/or equity investments. Application of the project for EU funds is also planned.

ESTIMATED VALUE

Estimated value of the project is 4 million EUR.

CURRENT PROJECT STATUS

The project is in the final stage. According to the investor, all necessary permits (including construction permit) have been obtained and the facility foundations have already been built. Construction of the building can commence immediately.



PLANNED FACILITY

The construction of the Residential Care Home on three levels (total size 3,350 m²) has begun on the land lot size of 6,819 m². The facilities will consist of a hotel with 150 beds, apartments with 40 beds and a wellness centre.



BROD-POSAVINA COUNTY

Population (2011): **158,575**
GDP per capita (2011): **5,882 EUR**
Unemployment rate (2013): **37%**
Average gross salary: **858 EUR**

The main competitive advantage of Brod-Posavina County is its exceptional geo-strategic position as it is situated on the crossing of important European traffic corridors: Pan-European Corridor X which connects Western Europe with South-East Europe and Middle East, and Pan-European Corridor Vc connecting Northern and Eastern European countries with the Adriatic Sea. The County is intersected with railway, highway, inland waterways, telecommunications networks and oil pipeline.

There are four capital cities (Zagreb, Budapest, Belgrade and Sarajevo) within 350 km radius of the County seat, Slavonski Brod. The river Sava, which represents a natural border with Bosnia and Herzegovina, enables waterway traffic with Central and South Europe as the most cost-effective way of transporting commodities and cargo. The Port of Slavonski Brod is connected by road and railway infrastructure with international infrastructure corridors.

Most represented business activities in the County (measured by their share in total revenue) are manufacturing/processing

industry - metal processing, wood processing and furniture manufacturing, chemical industry and food processing (49%), trade (14%), construction (11%) and agriculture, forestry and fishery (9%).

The processing industry has the largest part in the revenues from exports (predominantly metal industry, followed by wood processing, agriculture and production of furniture and chemical products), with its most important export markets in Bosnia and Herzegovina, Austria, France, The United Kingdom and Italy.

The County offers a possibility of studying at Mechanical Engineering Faculty Slavonski Brod offering vocational, undergraduate, graduate and postgraduate studies in Production Engineering and Mechanical Engineering and Slavonski Brod Polytechnics with vocational studies in mechanical engineering and management, as well as at Teachers Academy.

In addition to Đuro Đaković industrial zone in Slavonski Brod, there is a very well developed Industrial Park Nova Gradiška and business zones Bjeliš, Rižino polje and Davor as well as business incubators: BRODIN – Brod Business Incubator and Business Innovation Support Centre (BISC) Nova Gradiška.

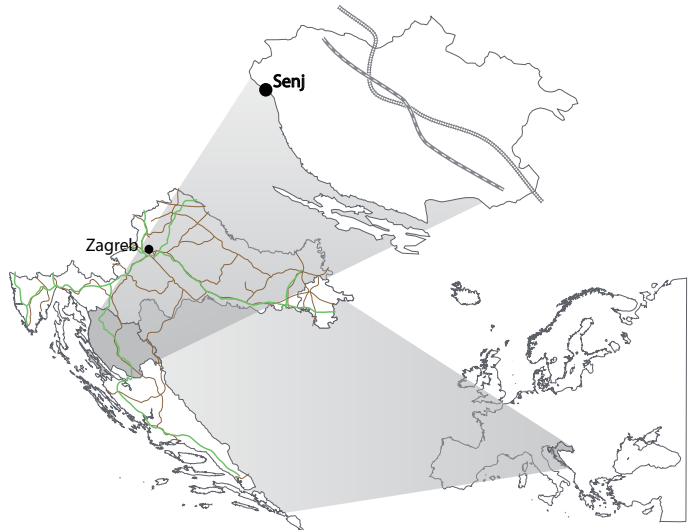
CONTACT

Stipanetić Ltd., Mr Dalibor Stipanetić, e-mail: stipanetic@gmail.com

LOCATION

The project is located in the City of Senj (Lika – Senj County), near the city center on a quiet location within 500 meters to the nearest local hospital. The town area comprises 76 km long maritime coast and is situated between the sea and the slopes of the mountains Kapela and Velebit (Velebit is the biggest mountain in Croatia) with the Mediterranean climate (dry and warm summers, and mild and humid winters).

According to the 2011 Census, Lika-Senj County is the county with the oldest population in Croatia. With just one nursery home in the town of Gospić and its subsidiaries in Otočac and Udbina, there is a high demand for these types of facilities in the county.



PROJECT DESCRIPTION

The project includes construction of a high-category nursing home for 100 users on a land plot of 3,969 m². The future nursery home will consist of a basement space with an underground garage, a ground floor with administrative and commercial facilities and additional four floors with accommodation units (double and single rooms) and infirmary.

Out of total 3,969 m², 30% of the land plot is intended for the residential area and the rest for green areas and new public spaces. The future nursery home is not envisaged as an isolated complex, it will rather be an integral and vital part of the urban area with residents included in everyday city life.

CURRENT PROJECT STATUS

The project documentation (preliminary, detailed and main design) is completed and location and construction permits are obtained. The main preparation works are finished, including the demolition of existing buildings and expansion and construction of the access road. The construction of the first project phase (basement level) has already commenced.

TRANSACTION MODEL

The owner of the project land is the Lika-Senj Diocese which has granted the right to build to the City of Senj with no time limit in terms of validity. The City of Senj is the bearer of right to build as long as the main purpose of the facility is residential care home for the elderly. The transaction model includes joint development of the project with the participation of the City of Senj (40% of total investment costs) and a strategic partner (60% of total investment costs).

The City of Senj is obliged to grant the right to use 10% of total capacities to the Lika-Senj Diocese as the compensation for the right to build.

ESTIMATED VALUE

Estimated value of the project is 5.27 million EUR.



The future look of the Residential Care Home



Commenced works on the site

LIKA-SENJ COUNTY

Population (2011): **51,022**

GDP per capita (2011): **8,081 EUR**

Unemployment rate (2012): **20.9%**

Average gross monthly salary: **907 EUR**

Lika-Senj County is territorially the largest county in the Republic of Croatia, which covers the surface of 5.350 km² or 9.5% of the Croatian territory and has a total population of 50,927 according to the 2011 Census. The County is strategically located between three major economic centers in Croatia: Zagreb, Rijeka and Split, and is rich in wood and water resources.

The biggest part of the Lika-Senj County is located in the mountainous part of Croatia, while its smaller part is located on the coast. Climate is moderate continental and

Alpine in the continental part and sub-Mediterranean and Mediterranean in the coastal part of the county.

Lika-Senj County has excellent traffic connections via motorway, railway, sea ports and relative vicinity to airports as well as developed communal infrastructure: local roads, sewerage system, waste water treatment, electricity, telecommunications grid, broadband Internet access. Most important sectors are trade (21.1%), construction (16.5%), manufacturing (15.2%) and hospitality (12.3%)

According to the 2011 Census, Lika-Senj County has the oldest population in Croatia with average age of 45.3 years. Ageing index is 166.0 which makes the importance of construction of nursery homes even more relevant. Furthermore, there is just one nursery home in Gospić with its subsidiaries in Otočac and Udbina so there is already very high demand for care homes for the elderly.

CONTACT

Institution for Development of the City of Senj

Ms. Dorotea Prpić, Principle, e-mail: dorotea@ras.hr

TECHNOLOGY INCUBATORS

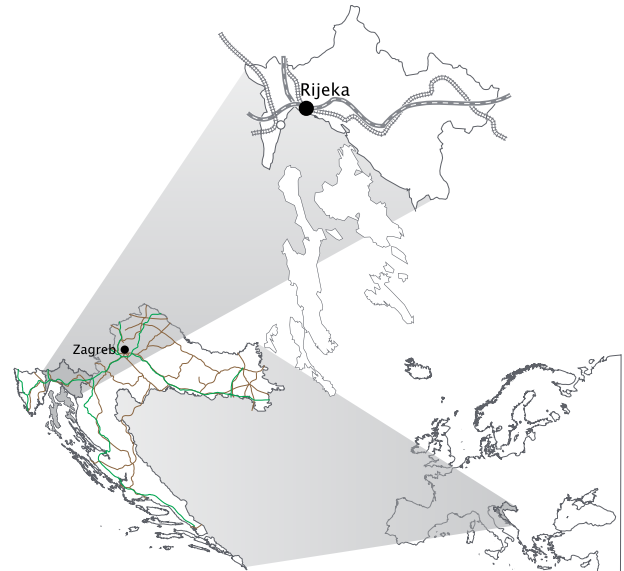
STeP Ri
Technology Innovation Centre Međimurje Ltd.
Technology Park Varaždin
Technology Park Zagreb
Zagreb Entrepreneurship Incubator

STeP RI - UNIVERSITY OF RIJEKA Science and Technology Park

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

STeP Ri

The Science and Technology Park STeP Ri offers a perfect environment for emerging companies, combining superb accommodation with integrated business support services. STeP Ri offers off-site and on-site incubation services, education, R&D and innovation management, consulting as well as growth and go-to-market support. It is situated within the new University Campus, in four buildings with 3,000 m² available space for offices and laboratories. Apart from offering the basic business and incubation services STeP Ri aims to become a regional leader recognised as an innovative “think tank” where both start-ups and established major companies could get first class innovation management knowledge and global up-to-date best practice training. The Science and Technology Park STeP Ri won the award for best supporting entrepreneurial institution - Technological Park in Croatia for year 2012.



- Science and technology park managed incubator established by University of Rijeka in 2008.
- STeP Ri was partially funded (1.8 mil EUR) by the Business Innovation Agency of the Republic of Croatia (BICRO) through Technology Infrastructure Development Programme (TECHRO)
- 3,000 m², 55 offices, 77% space occupancy rate
- International partner projects – EEN, FIDES, SLIM, Trans2care (MoU)
- Investment plan - development of new 60,000 m² Science and Technology Park Step2 with financial assistance from the European Union

SERVICES

PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

TENANTS

21 TENANTS, 226 EMPLOYEES



WhoAPI (example of tenant) is globally oriented submission of detailed information on more than 200 million domains. Examples of such information are: commitment, information about the owner of the domain registration and expiration date, various data on a server that is located domains, value domains, report on the market and many other domains information.

TECHNOLOGY INNOVATION CENTRE MEĐIMURJE LTD. Incubation center for innovative startup companies

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

TECHNOLOGY INNOVATION CENTRE MEĐIMURJE LTD.

Established in 2011 as part of the Knowledge Centre of Međimurje, Technology Innovation Centre Međimurje (TICM) is a dynamic system connected to the regional economy and higher education institutions and is integrated in the international environment. TICM is also a technology incubator which supports technology based businesses and enterprising individuals in the development and implementation of technologically advanced business ideas and provides customer support through facilitation of workspace and technology equipment.

TICM itself employs professionals active in providing mentoring services to incubated companies and students working on real-life projects, organizing basic and specific trainings and seminars for incubated companies and other stakeholders. TICM offers:

- 1,200 m² of newly refurbished office space
- large multimedia hall for 100 participants, fully equipped
- meeting room for up to 20 people and modular computer classroom with 20 personal computers
- IT lab equipped with technology for web and mobile application development, 3D scanning and modelling, professional video production and advanced multimedia presentation development



SERVICES

PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

TENANTS

23 TENANTS / 70 EMPLOYEES



Tenants (example of tenants)

TRIA is a company which develops custom web and mobile applications. They fulfill this either by working directly for the client or by being an outsource partner for a third party. **ENTITAS** services range from on-site and remote IT infrastructure management, hosting and collocation services, advanced VoIP solutions to high speed wireless internet access. **Axiom LTD Business GIS solution** is an independent software vendor specialized in cemetery management and utility industry. Their software suites combine a set of very powerful enterprise-grade modules with user simplicity to deliver an unmatched ROI and TCO.

TECHNOLOGY PARK VARAŽDIN Ltd.

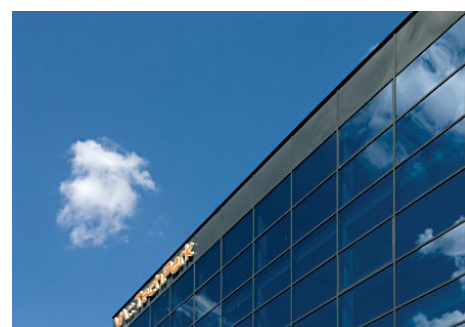
Incubation center for innovative startup companies

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

TECHNOLOGY PARK VARAŽDIN Ltd.

Technology park Varaždin Ltd. (TPV) is a company that manages an incubation centre for innovative start-up companies, offers training for improvement of existing technologically innovative companies, transfer of knowledge from universities and development centres into the economy, networking between companies, education institutions, development agencies and innovative individuals. The Technology Park Varaždin Ltd. won the award for best Technological Park in Croatia for year 2009.

- The Owners are City of Varaždin, Faculty of Organization and Informatics and University of Applied Sciences in Varaždin
- TPV was partially funded (0.75 mil EUR) by the Business Innovation Agency of the Republic of Croatia (BICRO) through Technology Infrastructure Development Programme (TECHRO)
- TPV is a member of International Association of Science Parks and Areas of Innovation (IASP)
- International partner projects – EEN, YICT, FIDES, INTERINO, SOCPOD, DANUBE PIE
- Investment plan - development of a new 25,000 m² facility with financial assistance from the Ministry of science, education and sports and Ministry of Regional Development and EU Funds



SERVICES

PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

TENANTS

44 TENANTS/ 230 EMPLOYEES



Evolva (example of tenant) is a software company engaged in developing custom made business web applications and advanced Java web technologies for the application development. Customers use Evolva business solutions and development technology Evolution Framework to save time and money, and to simplify and automate their business processes. Evolution Framework is a Java web framework for the development of modern business web applications. It is a set of advanced visual tools for design, development, deployment and monitoring of business web applications which include features such as document and workflow management, reporting, etc. Evolva mission is to facilitate the implementation of their client's business objectives by using advanced information technologies and capabilities of the web architecture.

TECHNOLOGY PARK ZAGREB

Incubation center for innovative startup companies

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

TECHNOLOGY PARK ZAGREB

Established in 1994 by providing appropriate infrastructure, services and promotion, Technology Park motivates the entrepreneurial potential in the City of Zagreb and helps realize knowledge-based entrepreneurial initiatives with great potential.

Technology Park (1,100 m² office space) today brings together 18 high tech companies (mostly start-ups). The number of members is constantly on the rise as more and more companies recognize the advantages and benefits of being a member in such an internationally - focused entrepreneurial and support environment.

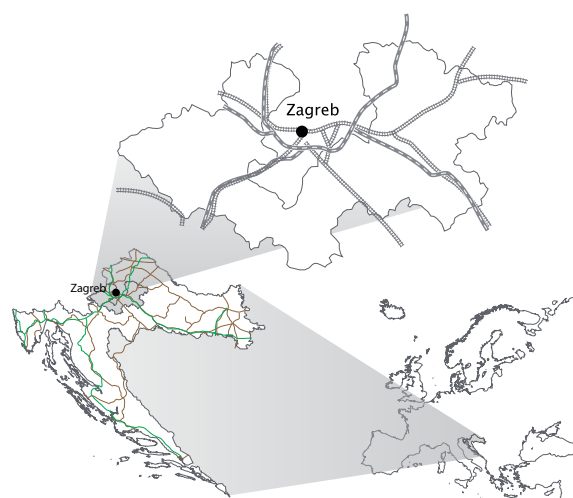
Technology Park offers its tenants full entrepreneurial support from very beginning - initial stage of product / service growth and development. As part of its program Technology park provides expert knowledge and develops the best innovative practices for the growth of companies and supports the new businesses in high technology or new sectors with high value added.

The Ministry of Entrepreneurship and Crafts awarded Technology Park Zagreb as best technology park and incubator for 2012.

Development Agency Zagreb – TPZ Ltd. manages the Technology Park Zagreb.

20 years after its foundation, success is attributed to:

- 66 successfully incubated companies, 174 awards for innovation, 13 patents
- 11 start up companies
- 1,100 m², 40 offices, 100% occupancy of space
- International partners from the region and EU
- Investment Plan - new Science and Technology Centre „ Nikola Tesla“



SERVICES

PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Technology Transfer
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

TENANTS

18 TENANTS, 57 EMPLOYEES (IN TENANT COMPANIES)



Tenant (example of a tenant)

XEE Tech, a roof brand for two sister companies from Zagreb Technology Park, is not about sole functionalities it provides across the three main expertise areas (branding, mobile apps and web, embedded systems), it is the sum of those. As technology changes the world, XEE Tech helps businesses adapt to capitalize on it.

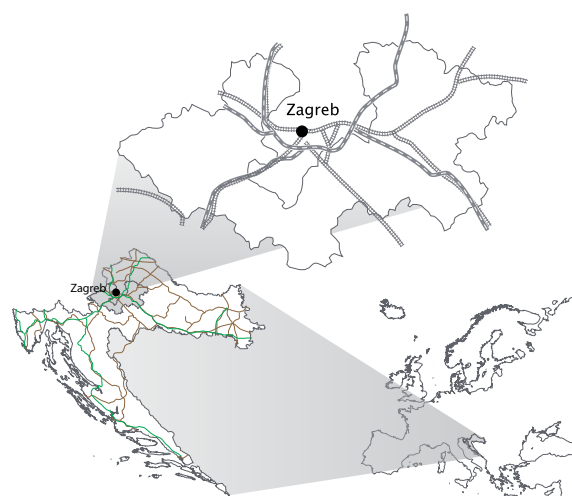
ZAGREB ENTREPRENEURSHIP INCUBATOR Technology Startup Incubator

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

ZIP

Zagreb entrepreneurship incubator (ZIP) is the first privately funded technology startup incubator with the goal of helping aspiring entrepreneurs from the region of South-Eastern Europe to develop their companies. At ZIP they are provided with the key resources necessary to develop their products. Entrepreneurs are given access to a strong, international network of mentors who advise them on how to set up their business model and gain access to the global market. Members of ZIP advisory board are mentors from international accelerators, like Dave McClure, Sith Lord, 500Startups (Silicon Valley), Carlos Eduardo Espinal, Partner, Seedcamp (London), Stefan Glaenger, Partner, Passion Capital / White Bear Yard (London), Nenad Marovac, Managing partner, DN Capital (London), Antti Ylimutka, Captain, StartupSauna (Aalto, Finland), Jon Bradford. ZIP has established a strategic cooperation with the University of Zagreb and some of the largest private companies in Croatia as well as the Croatian Business Angel Network - Crane.

- First privately funded technology startup incubator in Croatia
- Currently focused on pre-incubation process through 3+3 months program
- Strong international and domestic network of mentors
- Connecting teams with science community and leading companies in Croatia
- Connecting graduated teams with investors, media and public through demo day, organized conferences and visits to UK/USA



SERVICES

PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

TENANTS

PORTFOLIO OF CURRENT PROJECTS



**SUMMARY OF THE ACT ON INVESTMENT
PROMOTION AND ENHANCEMENT
OF INVESTMENT ENVIRONMENT**

INCENTIVE MEASURES FOR INVESTMENT PROJECTS

Incentive measures for investment projects in the Republic of Croatia are regulated by the Act on Investment Promotion and Enhancement of the Investment Environment (OG, No. 111/12 and 28/13) and pertain to investment projects in:

- manufacturing and processing activities,
- development and innovation activities,
- business support activities,
- high added value activities.

Incentive measures are:

- Incentives for microenterprises
- Profit Tax Incentives
- Incentives for eligible costs of new jobs linked to the investment project
- Incentives for eligible costs of training linked to the investment project
- Incentive measures for:
 - › development and innovation activities and
 - › business support activities and
 - › high added value services
- Incentive measures for labour intensive investment projects and
- Incentive measures for capital costs of the investment project.



Incentive measures can be used by enterprises registered in the Republic of Croatia investing in fixed assets the minimum amount of:

- € 50,000 together with creating at least 3 new jobs for microenterprises;
- € 150,000 together with creating at least 5 new jobs for small, medium and large enterprises.

CLASSIFICATION OF ENTERPRISES IS DONE IN ACCORDANCE WITH THE SMALL BUSINESS DEVELOPMENT PROMOTION ACT (OG 29/02, 63/07, 53/12, 56/13)

ENTERPRISE CATEGORY*	NUMBER OF EMPLOYEES	and	ANNUAL TURNOVER	or	ANNUAL BALANCE SHEET
Large	≥ 250		> 50 million €		> 43 million €
Medium	< 250		≤ 50 million €		≤ 43 million €
Small	< 50		≤ 10 million €		≤ 10 million €
Micro	< 10		≤ 2 million €		≤ 2 million €

* when classifying enterprises one should also consider linked and partner enterprises

The amount of aid shall be calculated as a percentage of investment value, which is determined on the basis of eligible investment cost. Eligible investment costs are:

- tangible (value of buildings, machinery and equipment) and intangible assets (patent rights, licences, know-how), or
- gross salary (total cost to the employer) calculated over a period of two years

The minimum period for maintaining the investment and newly created jobs linked to an investment is five years for large enterprises, and three years for micro, small and medium-sized enterprises, but no less than the period of use of the incentive measures.

PROFIT TAX INCENTIVES

INVESTMENT AMOUNT (€ MIL.)	NUMBER OF NEWLY EMPLOYED	PERIOD (YEARS)	PERIOD OF EMPLOYMENT (YEARS)	PROFIT TAX RATE
0,15 -1 (>0,05 for micro)	5 (3 for micro)	10	3 (SME), 5 (large)	10%
1-3	10	10	3 (SME), 5 (large)	5%
>3	15	10	3 (SME), 5 (large)	0%

EMPLOYMENT INCENTIVES

COUNTY UNEMPLOYMENT RATE	INCENTIVE RATE IN RELATION TO ELIGIBLE COSTS OF OPENING NEW WORKPLACES*	INCREASE FOR TECHNOLOGY INNOVATION AND DEVELOPMENT CENTRES	INCREASE FOR BUSINESS SUPPORT STRATEGIC ACTIVITIES AND HIGH ADDED VALUE ACTIVITIES
<10%	10% (max. 3,000 €) for employing groups of persons covered by Article 11 paragraph 3 of Regulation*	+50% (1,500 €)	+25% (750 €)
	4% (max. 1,200 €) for employing other groups of persons	+50% (600 €)	+25% (300 €)
10-20%	20% (max. 6,000 €) for employing groups of persons covered by Article 11 paragraph 3 of Regulation*	+50% (3,000 €)	+25% (1,500 €)
	8% (max. 2,400 €) for employing other groups of persons	+50% (1,200 €)	+25% (600 €)
>20%	30% (max. 9,000 €) for employing groups of persons covered by Article 11 paragraph 3 of Regulation*	+50% (4,500 €)	+25% (2,250 €)
	12% (max. 3,600 €) for employing other groups of persons	+50% (1,800 €)	+25% (900 €)

* Article 11 paragraph 3 of the Regulation on Investment Promotion and Enhancement of the Investment Environment (OG, 40/13) provides incentives for hiring an unemployed person who was, before the conclusion of the employment contract reported as unemployed at the Croatian Employment Service for at least three months; or for hiring first-time employees, if they have no qualifications, or who are qualified for auxiliary or vocational occupations, without being registered as unemployed, and who are up to 25 years of age; or for hiring first-time employees who have acquired secondary, graduate or postgraduate degree, and are up to 29 years of age, and are not registered as unemployed at the Croatian Employment Service; or for hiring a person under 29 years of age who was registered in the Register of unemployed persons of the Croatian Employment Service within 90 days of graduation, the acquisition of title / occupation at the end of regular high school education or for those without vocation at the end of primary education; or for hiring a person whose employment contract was cancelled due to the opening of bankruptcy proceedings.

Development and innovation activities include activities that affect the improvement and modernization of the product, production series, processes and manufacturing technologies.

Business support services:

- Customers / Clients contact centres: all types of call-centres, multi-media contact centres and other types of customer/client contact centres focused on technical support and problem solving for customers/clients,
- Centres for Outsourced Business Activities focused on outsourcing and pooling of business activities, such as: finance, accounting, marketing, product design, audio-visual activity, development of human resources and IT services. Centres of selected business activities: focus on separation and concentration of business activities such as finance, accounting, marketing, product design, audio-visual industry, the development of human resources and information technology,
- Logistics and Distribution Centres focused on establishing and constructing high-technology logistics and distribution centres providing: intermodal transportation of goods, warehousing, packaging and handling of goods in order to significantly improve logistics and distribution activities within the business process and delivery of goods,
- ICT System and Software Development Centres: development and application of information systems, outsourcing of IT management operating systems, development of telecommunications network operation centres and development and application of new software solutions.

High Added Value Activities:

- Creative service activities: activities in the field of architecture, design, different forms of media communication, advertising, publishing, culture, creative industry and other activities in the field of fine arts,
- Tourism service activities: activities in the field of high added value services in tourism, such as accommodation projects hotel, apart-hotel, tourist resorts categorised as four- or more stars, tourist apartments within tourist resorts categorised as four- or more stars, camps categorised as four- or more stars, heritage hotels, other types of accommodation facilities as a result of renovation of cultural and historical structures, supporting services, health tourism, congress tourism, nautical tourism, cultural tourism, entertainment and/or recreation centres and parks, ecological tourism projects,
- Management, consulting, education services,
- Industrial engineering services.

INCENTIVES FOR INVESTMENT IN DEVELOPMENT AND INNOVATION ACTIVITIES

For investment in development and innovation activities, a non-repayable grant shall be approved for the purchase of plant/machinery amounting to 20% of the actual eligible costs for purchasing plant/machinery, in the maximum amount of EUR 500,000 in equivalent HRK value, provided that the purchased plant/machinery represents high technology equipment.

INCENTIVES FOR EDUCATION AND TRAINING

The eligible costs for the purpose of training may include staff trainer costs, trainers' and trainees' travel expenses, depreciation of tools and equipment, to the extent that they are used for the training project, as well as trainees' costs up to the amount of the total of the above referred eligible costs. Only the hours during which the trainees actually participate in the training, after deduction of any productive hours or of their equivalent, shall be taken into account. Incentives for education and training cannot exceed the following maximum aid intensities:

	SPECIFIC TRAINING	GENERAL TRAINING
Large enterprises	up to 25%	up to 60%
Medium enterprises	up to 35%	up to 70%
Small enterprises	up to 45%	up to 80%

In cases where aid projects involve both specific and general training components which cannot be separated for the calculation of the aid intensity, and in cases where the specific or general character of the training aid project cannot be established and separated, the maximum aid intensities applicable to specific training shall apply. Amount of incentives, along with incentives for investment, i.e. employment incentives, cannot exceed more than 50% of the eligible investment costs. Amount of incentives for education and training can amount up to a maximum of 50% of employment incentives, but in accordance with the maximum allowable aid intensity for general and specific education and training.

INCENTIVE MEASURES FOR LABOUR-INTENSIVE INVESTMENT PROJECTS

NUMBER OF NEWLY CREATED JOBS	INCREASE OF SUPPORT FOR CREATING NEW JOBS
100 and higher	25%
300 and higher	50%
500 and higher	100%

INCENTIVE MEASURES FOR THE CAPITAL COSTS OF THE INVESTMENT PROJECT

Eligibility conditions for incentive measures for capital expenditures in an investment project: investment in long-term assets of at least EUR 5 million and with the condition of opening at least 50 new work places.

COUNTY UNEMPLOYMENT RATE	INCENTIVES FOR CAPITAL EXPENSES
10-20%	Cash grant in amount of 10% of the eligible costs of investments for: <ul style="list-style-type: none">• construction of the new factory, production facility or tourist facility.• buying of new machines, i.e. production equipment, (max amount up to 0.5 million EUR with the condition that the part of investment in the machines/equipment equals at least 40% of the investment and that at least 50% of those machines/equipment are of high technology)
>20%	Cash grant in amount of 20% of the eligible costs of investments for: <ul style="list-style-type: none">• construction of the new factory, production facility or tourist facility,• buying of new machines, i.e. production equipment, (max amount up to 1 million EUR with the condition that the part of investment in the machines/equipment equals at least 40% of the investment and that at least 50% of those machines/equipment are of high technology)

According to the procedure for applying for incentive measures under the Act on Investment Promotion and Enhancement of the Investment Environment an enterprise intending to acquire the status of a beneficiary of incentive measures must file an Application for the use of incentives using the prescribed forms either to the Ministry of Economy if it falls under the category of a large enterprise or to the Ministry of Entrepreneurship and Crafts if it falls under the categories of micro, small or medium enterprise before the beginning of the investment.

DECEMBER 2014

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